

HARMONY GOLD MINING CO LTD

Form 6-K

May 09, 2012

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**Form 6-K**

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO

RULE 13a-16 OR 15d-16 UNDER THE SECURITIES

EXCHANGE ACT OF 1934

For 9 May 2012

**Harmony Gold Mining Company**

**Limited**

Randfontein Office Park

Corner Main Reef Road and Ward Avenue

Randfontein, 1759

South Africa

(Address of principal executive offices)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F  Form 40-F

(Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

Yes  No

**Au**

Golpu pre-feasibility study on track

Optimising of asset portfolio continued

- sale of Rand Uranium completed
- sale agreement signed for Evander

Gold production lower than planned

Deferred tax credit of R652 million (US\$84 million)

ESOP launched for employees

HEPS of 234 SA cents (30 US cents)

**KEY FEATURES**

*Shareholder information*

Issued ordinary

share capital at

31 March 2012

431 471 444

Issued ordinary

share capital at

31 December 2011

431 312 677

*Market capitalisation*

At 31 March 2012

ZARm

35 980

At 31 March 2012

US\$m

4 688

*Harmony ordinary share and ADR prices*

12 month high

(1 April 2011 –

31 March 2012)

for ordinary shares

R115.75

12 month low

(1 April 2011 –

31 March 2012)

for ordinary shares

R82.88

12 month high

(1 April 2011 –

31 March 2012)

for ADRs

US\$15.57

12 month low

(1 April 2011 –

31 March 2012)

for ADRs

US\$10.70

*Free float*

Ordinary shares

100%

*ADR ratio*

1:1

*JSE Limited*

HAR

Range for quarter

(1 January 2012 –

31 March 2012

closing prices)

R82.88 – R101.75

Average daily volume

for the quarter

(1 January 2012 –

31 March 2012)

1 638 216 shares

*New York Stock Exchange, Inc*

*including other*

*US trading*

HMY

Range for quarter

(1 January 2012 –

31 March 2012

closing prices)

US\$10.70 – US\$13.31

Average daily volume

for the quarter

(1 January 2012 –

31 March 2012)

2 115 404 shares

**RESULTS FOR THE THIRD QUARTER FY12**

**ENDED 31 MARCH 2012**

**Harmony Gold Mining Company Limited**

(“Harmony” or “Company”)

Incorporated in the Republic of South Africa

Registration number 1950/038232/06

JSE Share code: HAR

NYSE Share code: HMY

ISIN: ZAE000015228

**FINANCIAL SUMMARY FOR THE THIRD QUARTER AND NINE MONTHS**

**ENDED 31 MARCH 2012**

\*Nine

\*Nine

months

months

\*Quarter

\*Quarter

Q-on-Q

ended

ended

March

December

Variance

March

March  
Variance  
2012  
2011  
%  
2012  
2011  
%  
Gold  
– kg  
8 753  
10 718  
(18)  
29 678  
30 383  
(2)  
produced  
– oz  
281 415  
344 592  
(18)  
954 169  
976 834  
(2)  
Cash costs  
– R/kg  
293 842  
249 356  
(18)  
267 959  
221 166  
(21)  
– US\$/oz  
1 182  
958  
(23)  
1 089  
962  
(13)  
Gold sold  
– kg  
8 559  
11 000  
(22)  
29 507  
30 631  
(4)  
– oz  
275 177  
353 658  
(22)

948 671  
 984 811  
 (4)  
 Gold price  
 – R/kg  
 419 649  
 438 183  
 (4)  
 418 749  
 300 386  
 39  
 received  
 – US\$/oz  
 1 688  
 1 683  
 –  
 1 703  
 1 324  
 29  
 Operating  
 – R million  
 1 123  
 2 077  
 (46)  
 4 507  
 2 374  
 90  
 profit  
 (1)  
 –  
 US\$  
 million 145 257  
 (43)  
 590  
 336  
 76  
 Basic earnings – SAc/s  
 235  
 243  
 (3)  
 589  
 154  
 282  
 per share\*  
 – USc/s  
 30  
 30  
 –  
 77  
 22  
 250

Headline

– Rm

1 007

1 041

(3)

2 460

826

198

earnings\* –

US\$m

130 129 1 322 117 175

Headline

– SAc/s

234

242

(3)

571

192

198

earnings

– USc/s

30

30

–

75

27

178

per share\*

Exchange rate

– R/US\$

7.73

8.10

(5)

7.65

7.06

8

\* Including discontinued operations.

(1) Operating profit is comparable to the term production profit in the segment report in the financial statements and not to

the operating profit line in the income statement.

**Q3 FY12**

2

2

### **Forward-looking statements**

*This quarterly report contains forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 with respect to Harmony's financial condition, results of operations, business strategies, operating efficiencies, competitive positions, growth opportunities for existing services, plans and objectives of management, markets for stock and other matters. Statements in this quarter that are not historical facts are "forward-looking statements" for the purpose of the safe harbour provided by Section 21E of the U.S. Securities Exchange Act of 1934, as amended, and Section 27A of the U.S. Securities Act of 1933, as amended. Forward-looking statements are statements that are not historical facts.*

*These statements include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations, products and services, and statements regarding future performance. Forward-looking statements are generally identified by the words "expect", "anticipates", "believes", "intends", "estimates" and similar expressions. These statements are only predictions. All forward-looking statements involve a number of risks, uncertainties and other factors and we cannot assure you that such statements will prove to be correct. Risks, uncertainties and other factors could cause actual events or results to differ from those expressed or implied by the forward-looking statements.*

*These forward-looking statements, including, among others, those relating to the future business prospects, revenues and income of Harmony, wherever they may occur in this quarterly report and the exhibits to this quarterly report, are necessarily estimates reflecting the best judgment of the senior management of Harmony and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered in light of various important factors, including those set forth in this quarterly report.*

*Important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include, without limitation: overall economic and business conditions in the countries in which we operate; the ability to achieve anticipated efficiencies and other cost savings in connection with past and future acquisitions; increases or decreases in the market price of gold; the occurrence of hazards associated with underground and surface gold mining; the occurrence of labour disruptions; availability, terms and deployment of capital; changes in government regulations, particularly mining rights and environmental regulations; fluctuations in exchange rates; currency devaluations and other macro-economic monetary policies; and socio-economic instability in the countries in which we operate.*

Harmony's Integrated Annual Report,  
Notice of Annual General Meeting, its  
Sustainable Development Report and its

Annual Report led on a Form 20F with the United States' Securities and Exchange Commission for the year ended 30 June 2011 are available on our website: [www.harmony.co.za](http://www.harmony.co.za)

**3** Chief executive officer's review

**5** Financial overview

**6** Operational overview

**6**

Group operating results

**6**

Build-up and steady operations

**6** Doornkop

**6** Kusasalethu

**7** Phakisa

**7** Hidden Valley

**7** Masimong

**7** Target

**1**

**7** Target

**3**

**7** Tshepong

**8** Other operations

**8** Bambanani

**8** Steyn

**2**

**8** Evander

**8** Joel

**8** Unisel

**9**

Total South African surface operations

**9** Kalgold

**9** Phoenix

(tailings)

**9** Surface

dumps

**10** Development

**11** Exploration highlights

**14** Operating results (Rand/Metric) (US\$/Imperial)

**16** Condensed consolidated income statements (Rand)

**17** Condensed consolidated statements of comprehensive income (Rand)

**17** Condensed consolidated statements of changes in equity (Rand)

**18** Condensed consolidated balance sheets (Rand)

**19** Condensed consolidated cash flow statements (Rand)

**20** Notes to the condensed consolidated financial statements

**23** Segment report (Rand/Metric)

**24** Operating results (US\$/Imperial)

**26** Condensed consolidated income statements (US\$)

**27** Condensed consolidated statements of comprehensive income (US\$)

**27** Condensed consolidated statements of changes in equity (US\$)

**28** Condensed consolidated balance sheets (US\$)

**29** Condensed consolidated cash flow statements (US\$)

**30** Segment report (US\$/Imperial)

**31** Development results – Metric and Imperial

**32** Contact details

**Competent person's declaration**

Harmony reports in terms of the South African Code for the Reporting of Exploration results, Mineral Resources and Ore Reserves (SAMREC).

Harmony employs an ore reserve manager at each of its operations who takes responsibility for reporting mineral resources and mineral reserves at his operation.

The mineral resources and mineral reserves in this report are based on information compiled by the following competent persons:

Reserves and resources South Africa:

Jaco Boshoff, Pri Sci Nat, who has 16 years' relevant experience and is registered with the South African Council for Natural Scientific Professions (SACNASP).

Reserves and resources PNG:

Stuart Hayward for the Wa -Golpu mineral resources, Gregory Job for the Golpu mineral reserve, James Francis for the Hidden Valley mineral resources and Anton Kruger for the Hidden Valley mineral reserve. Messers Job, Francis and Kruger are corporate members of the Australian Institute of Mining and Metallurgy and Mr Hayward is a member of the Australian Institute of Geoscientists. All have relevant experience in the type and style of mineralisation for which they are reporting, and are competent persons as defined by the code.

These competent persons consent to the inclusion in the report of the matters based on the information in the form and context in which it appears. Mr Boshoff and Mr Job are full-time employees of Harmony Gold Mining Company Limited and Mr Hayward is a full-time employee of Wa -Golpu Services Limited. Mr Francis and Mr Kruger are full-time employees of Newcrest Mining Limited (Newcrest). Newcrest is Harmony's joint venture partner in the Morobe Mining Joint Venture on the Hidden Valley mine and Wa -Golpu project.

### 3

#### Chief executive officer's review

We have made excellent strides in the last couple of years in achieving our stated strategy of creating a sustainable company that generates free cash flow that funds dividends and growth. The March 2012 quarter has been a difficult quarter and we have to ensure we continue to improve on all fronts – safety, production and returns.

Gold production in the March 2012 quarter was negatively impacted by a number of factors, some unexpected. This resulted in a reduction of gold production, the details of which are explained below in the commentary on operational results (pages 6 to 9).

It was with great excitement that we announced the launch of Harmony's employee share trust in March 2012, a venture that recognises the importance of the employees who sustain our business. Our employees are our 'human gold'. A core focus for Harmony therefore continues to be the improvement in safety and health of our employees and some good initiatives were undertaken that will improve this substantially going forward.

#### **Safety**

Given the high-risk nature of many of our underground operations, the safety, health and well-being of our people is our foremost priority. As part of our efforts to continually improve our safety, a number of audits were conducted by an external party during the quarter to identify potential areas of improvement in our safety strategy. Following the review, an improved safety framework for Harmony is being developed and we expect this to be rolled out during the next 12 months.

In the short term, a high level internal safety audit team, consisting of mining and safety experts, has been established. The main objective of this team is to verify conditions in the risk areas at Harmony's operations and establish the effectiveness of the management systems that are in place to ensure the safety of employees. The team will also review the level of implementation of strategic health and safety programmes and standards at all operations.

Despite our best efforts to curb fatalities, it is with deep regret that I report that five of our colleagues died in work-related incidents during the quarter. Those who died were: Zanekhaya Meteawdaba (belt attendant, Doornkop), Lefy David Ntsihlele (engineering assistant, Doornkop), Johannes Leepile and Zukisa Mentile (both winch operators at Kusasalethu) and Lisene Phidalis Rankopane (boilermaker aide at Bambanani West). I would like to extend my deepest condolences to their families, friends and colleagues.

Operations that showed significant improvements in safety trends during the quarter were Tshepong, Bambanani and Evander. In addition, Target 1, Target 3, Kalgold, Joel, Phakisa and Masimong are fatality-free for the year to date.

Other significant safety achievements during the quarter were the following:

- 

Kalgold operations

2 500 000 fatality-free shifts

-

Harmony One Plant

1 250 000 fatality-free shifts

•

Target 1 shaft

1 000 000 fatality-free shifts

•

Masimong

2 237 688 fall of ground  
fatality-free shifts

•

Doornkop

4 897 318 fall of ground  
fatality-free shifts.

**Health**

Our pro-active approach to the health and wellness of our employees continue and we are continually investing in healthcare through policies, procedures and training, to achieve the optimal consolidated health and business solution for employees' wellness and productivity improvement.

See our 2011 Sustainable Development Report for more details on our website [www.harmony.co.za](http://www.harmony.co.za).

**Gold market**

Although the gold price received decreased from R438 183/kg in the December 2011 quarter to R419 649/kg in the March 2012 quarter, a 4% variance, the R/kg gold price still provides us with a strong margin. The US dollar gold price remained fairly constant at US\$1 688/oz, marginally up from the US\$1 683/oz recorded in the December 2011 quarter. We believe that the gold price will strengthen in the long term as the same fundamentals are still in place and the uncertainty in the world-wide markets continues to support a higher gold price.

As we have no control over the gold price or the strength of the rand we have to continue to focus on factors within our control, such as safety, productivity, production and cost control.

**Operational results**

Gold production decreased by 18% (1 965kg) in the March 2012 quarter to 8 753kg from 10 718kg in the December 2011 quarter. The rand per kilogram unit cost for the March 2012 quarter increased by 18% from R249 356/kg in the December 2011 quarter to R293 842/kg in the quarter under review. This was due to an 18% decrease in the gold produced.

A number of factors contributed to a weaker than expected performance during the quarter:

- The festive season and public holiday disruptions associated with the March 2012 quarter;
- Safety stoppages;
- Shifts lost due to the one day protected strike of the Congress of South African Trade Unions (COSATU);
- High rainfall in Papua New Guinea impacted gold production at Hidden Valley negatively;
- The upgrade of the infrastructure at Doornkop resulted in gold

production at this shaft being 44% lower quarter on quarter (as guided in February 2012);

- Lower than expected recovered grades at most of our shafts contributed to a 13% decline in underground grade. Face grades are in line with geo-statistical models and, apart from Bambanani and Target 3, the face grades and shaft call factors at all the shafts improved. Belt grades, across almost all operations, were not in line with our plans – mainly as a result of the square metres not being blasted due to safety stoppages and high grade panels underperforming.

**Disposal of interest in Rand Uranium and Evander**

*Investment in Rand Uranium (Pty) Limited*

The sale transaction with Gold One International Limited (Gold One) was concluded on 6 January 2012, with the first payment of US\$24 million (R193 million) being received on that day. The outstanding amount as at 31 March 2012 was R108 million. Subsequent to the March 2012 quarter-end, additional payments were received from Gold One in respect of the sale.

**4**

**Results for the third quarter FY12  
ended 31 March 2012**

*Evander Gold Mines Limited*

A sale of share and claims agreement was signed on 30 January 2012 with Pan African Resources plc and Witwatersrand Consolidated Gold Resources Limited (the Consortium). The disposal will be for an aggregate purchase consideration of R1.7 billion, less certain distributions made by Evander to Harmony between 1 April 2012 and the close of the transaction.

The transaction is subject to, among others, the following conditions precedent:

- the Consortium raising the required funding comprising of debt and/or equity;
- each of the Consortium members obtaining the requisite shareholder approval for the acquisition; and
- obtaining all relevant regulatory approvals.

**Wafi-Golpu**

Eight drilling rigs were operating by the end of the quarter. Two of which were engaged on geotechnical assessment for the proposed decline and mine infrastructure locations and six were engaged on further definition of the Golpu orebody. The initial Golpu pre-feasibility report will be subject to various internal discussions and review between Harmony and its joint venture partner, Newcrest Mining Limited. The study gating process with technical experts from both companies as well as external independent reviewers for each key discipline commenced in April 2012. The outcomes of the pre-feasibility study will be shared with investors during the September 2012 quarter.

**Environmental management**

*Renewable energy initiatives and carbon trading*

Harmony has initiated a number of energy efficiency projects which have resulted in emission reductions for the group. In FY11, Harmony reduced its electricity consumption by 48.5GWh, decreasing emissions by 48 500t CO

2

e (CO

2

e= carbon dioxide equivalents). The Company has identified many other projects to implement. To this end, Harmony and Nedbank are in the process of registering three projects under the clean development mechanism for carbon trading.

*The Free State rehabilitation programme*

The Free State rehabilitation programme has been geared towards reducing environmental liability, eliminating potential safety and health exposures to both our people and society in general, as well as assisting the Free State Province in meeting some of its socio-economic imperatives especially job creation.

The Free State rehabilitation programme is progressing very well. In the year to date, rehabilitation work has been performed at the following sites:

- Virginia 2 Shaft, its plant and hostel;

- 

Brand 1, 2 and 3 shafts;

- Saaiplaas plant;

- 

Saint Helena 2 shaft and hostel;

- 

Saint Helena 4 shaft;

- 

Saint Helena plant;

- 

Steyn 1 shaft; and

- 

Freddies 7 shaft.

These initiatives coupled with the Masimong hostel conversion project resulted in a total reduction in our rehabilitation liabilities of R60 million. This represents a 3% reduction of Harmony's overall rehabilitation liability.

Other initiatives underway that will further contribute to the reduction of the rehabilitation liability include:

- 

Reclaiming of waste rock dumps;

- Slimes retreatment through Saaiplaas plant which liberates a surface footprint and results in an improved footprint on the placement dam.

**Launch of Harmony's employees share trust:**

The employee share trust was successfully launched on 15 March 2012 with a lot of excitement from organised labour representatives and employees in general. The trust will be known as the Tlhakanelo Employee Share Trust.

**Conclusion**

During the next quarter we will continue to improve our safety performances across the company to reduce stoppages. To ensure an immediate uplift in grade, the top 10 higher grade panels at each operation will be focused on. A standardised short interval control monitoring initiative has also been rolled out to all the Harmony operations at the beginning of April 2012. As a result, production performances will be monitored on a daily basis, assisting us in identifying potential production challenges and addressing these immediately. In addition, we will increase the discipline on clean mining.

**Graham Briggs**

**Chief executive officer**

**5**

Financial overview

**Net profit**

The net profit for the March 2012 quarter was R1 014 million, 3% lower than the previous quarter. This was due to the gross profit being 62% lower at R501 million offset by a deferred tax credit of R652 million.

The net profit for the nine months ended 31 March 2012 was R2 538 million compared to R659 million for the corresponding nine months of the previous year. This was as a result of the significant higher gold price received for the period of R418 749/kg versus R300 386/kg the previous year.

**Taxation**

Included in the large deferred taxation credit is an amount of R605 million related to the change in the mining tax rate formula.

Prior to the change, some of our subsidiaries were exempt from paying Secondary Tax on Companies (STC) when declaring a dividend, but had to pay a higher mining tax rate.

With the repeal of STC and the introduction of the Dividend Tax, the higher gold mining tax rate formula was removed. The change in the mining tax rate affected the calculation of deferred tax, resulting in lower deferred tax balances.

The lower statutory tax rate would result in a lower tax liability over the life of mine and therefore a lower average deferred tax rate. Applying these lower rates to the temporary differences balances at the beginning of the year will result in a change in estimate of R605 million which has been credited to the taxation line in the income statement in the quarter ended 31 March 2012.

**Discontinued operations and assets and liabilities of disposal group classified as held for sale**

Evander Gold Mines Limited has been classified as a disposal group held for sale following the signing of a sales agreement on 30 January 2012.

It has also been classified as a discontinued operation. The comparative information in the income statement for all periods shown has been re-presented accordingly.

**Earnings per share**

Total basic earnings per share for the March 2012 quarter decreased from 243 SA cents to 235 SA cents per share. Total headline earnings per share decreased from earnings of 242 SA cents per share to 234 SA cents per share.

For the nine month period to March 2012, total headline earnings per share amounts to 571 SA cents per share compared to 192 SA cents per share for the corresponding period in the previous year.

**Capital**

Total capital expenditure for the March 2012 quarter was R767 million, a R15 million decrease in comparison to the December 2011 quarter (R782 million). Capital expenditure at most SA operations decreased with Bambanani and Phakisa being the exceptions. Capital at Bambanani increased by R11 million for the backfill plant. Total capital spent at Hidden Valley increased by R29 million and Wafi-Golpu increased by R34 million.

**Deferred tax liabilities**

The change in the deferred tax rates (discussed above under Taxation) resulted in the reduction of the deferred tax liabilities.

**Cash flow**

The strong cash generated by operating activities for the nine months ended March 2012 of R3.2 billion paid for capital expenditure of R2.2 billion and reduced the net debt significantly.

**Dividend Tax (DT)**

The Minister of Finance announced in his budget speech in February 2012 that DT will be implemented effective 1 April 2012, at a rate of 15%. The dividend tax replaces the current Secondary Tax on Companies (STC). While STC was payable by the Company, the DT is normally levied on the shareholder, or the person entitled to the benefit of the dividend.

According to the new legislation, regulated intermediaries (e.g. share registrars and stockbrokers) will withhold the DT amount before the dividend is paid out. All South African companies and several other bodies are exempt from DT, while South African natural person shareholders will be liable for DT at 15%.

Foreign investors may be eligible for a reduced rate or be able to claim credit from taxes withheld depending on the relevant double tax treaty between South Africa and the relevant country.

The legislation allows for credits accumulated under STC to be carried forward and may be utilised within three years of the introduction of DT. Harmony had STC credits amounting to R151 million at 31 March 2012 which will be available for offset against future dividends. This means that no DT needs to be withheld on the next R151 million of dividend paid out by the Company, irrespective of the category of shareholder. If such a shareholder is a resident company these credits can be passed on to their beneficial shareholders.

6

**Results for the third quarter FY12  
ended 31 March 2012**

Operational overview

**GROUP OPERATIONAL RESULTS**

March

December

%

Indicator                      Units

2012

2011

variance

**Tonnes 000**

4 595

4 542

1

**Grade (total)**

g/t                      1.90

2.36

(20)

**Underground**

grade                      g/t                      4.24

4.85

(13)

**Gold produced**

**Kg**

8 753

10 718

(18)

**Cash operating costs      R/kg**

293 842

249 356

(18)

**Operating profit**

R'000    1 122 827      2 077 067

(46)

**Continuing operations (excludes Evander)**

March

December

%

Indicator                      Units

2012

2011

variance

Tonnes

000

4 423

4 388

1

**Grade (total)**

g/t

1.78  
 2.24  
 (21)  
*Underground grade*  
 g/t  
 4.06  
 4.70  
 (14)  
 Gold produced  
 Kg  
 7 891  
 9 824  
 (20)  
 Cash operating costs  
 R/kg  
 302 215  
 252 602  
 (20)  
 Operating profit  
 R'000  
 948 916    1 881 458  
 (50)

Gold production was 18% lower than the previous quarter at 8 753kg. An estimated 600 kilograms were lost due to safety stoppages alone. In addition, the operations' grade performance was poor, with overall recovered grade being 20% lower than the December 2011 quarter at 1.90g/t and underground grade being 13% lower at 4.24g/t. The reasons for the underperformance in grade are the following:

- belt grades, across almost all operations, were not in line with our plans – mainly as a result of the square metres not being blasted due to safety stoppages and high grade panels underperforming;
- more development waste was hoisted with ore at Kusasalethu and Masimong (the mixing of waste with ore is being addressed at both operations);
  - One Plant – which processes the ore from Tshepong, Phakisa, Masimong, Bambanani, Steyn 2 and Unisel – had an exceptional plant call factor of 115% in December 2011. The March 2012 quarter is therefore much lower and more normalised at 104%;
  - in the Free State, where one fatality occurred, we had a total of eight Section 54\* safety-related stoppages, resulting in the loss of 368 kilograms. On average, following a Section 54\* stoppage, it takes up to three days to safely restart operations. After one reportable accident at Unisel, Bambanani, Steyn 2, West Shaft and Unisel were all stopped as they are all the responsibility of one general manager. This resulted in a production loss of 21 days (cumulative);
- at Doornkop, 17 production days on South Reef (high grade) were lost due to the infrastructure upgrade announced in February 2012,

while the lower grade Kimberley Reef continued to be mined, resulting in a drop in face grade; and at Joel, 14 production days were lost due to a guide rope repair in North Shaft, resulting in ore tonnage being locked up underground; and

- at Hidden Valley production was adversely impacted by high rainfall during the quarter, impeding access to high grade ore.

*\* In terms of the Mine Health and Safety Act 29 of 1996.*

The increase in tonnes milled was insufficient to offset the decrease in recovered grade and consequently, gold production was 18% lower quarter on quarter at 8 753kg. Cash operating costs increased to R293 842/kg, a consequence of lower gold production.

Operating profit was lower at R1.1 billion due both to the decline in gold production and a 4% decrease in the average gold price received to R419 649/kg.

An improved safety performance, increased focus on the mining of the top 10 higher grade panels at each operation, daily monitoring of production performances and an increased focus on clean mining will result in improved production results in the June 2012 quarter.

#### **BUILD-UP AND STEADY OPERATIONS**

##### **Doornkop**

March

December

%

Indicator                      Units

2012

2011

variance

Tonnes                      000

158

232

(32)

Grade                      g/t

3.16

3.87

(18)

Gold produced

Kg

500

897

(44)

Cash operating costs

R/kg

401 952

237 007

(70)

Operating profit

R'000

15 663

179 225

(91)

During the past quarter, gold production at Doornkop was affected by safety stoppages relating to two fatalities and the upgrade of the South Reef's infrastructure. The temporary production interruption due to the upgrade is typical of a newly built operation. In a new mine, as production builds up, commissioning challenges are experienced. We have a lot of confidence in the geology and grade of South Reef and the upgrade allows us to exploit more of the developed South Reef reserves at an improved rate in future.

Tonnes decreased by 32% to 158 000t, while the recovery grade declined to 3.16g/t, as less of the higher grade South Reef was mined. Due mainly to lower gold production, cash operating costs increased to R401 952/kg from R237 007/kg in the previous quarter.

Lower production, higher costs and a lower average Rand gold price received resulted in lower operating profit of R16 million.

#### **Kusasaletu**

March

December

%

Indicator Units

2012

2011

variance

Tonnes 000

273

256

7

Grade g/t

4.47

4.95

(10)

Gold produced

Kg

1 221

1 268

(4)

Cash operating costs

R/kg

289 818

283 053

(2)

Operating profit

R'000

167 968

198 948

(16)

At Kusasaletu tonnes milled increased by 7% to 273 000t due to more development waste, which was hoisted in the previous quarter, being processed in the current quarter. This resulted in a 10% decrease in the recovered grade to 4.47g/t.

A safety stoppage in March 2012 resulted in further production losses.

Cash operating cost increased slightly to R289 818/kg. An operating profit of R168 million was recorded, 16% lower than the previous quarter.

7

**Phakisa**

March

December

%

Indicator                      Units

2012

2011

variance

Tonnes                      000

129

126

2

Grade                      g/t

4.78

5.22

(8)

Gold produced

Kg

616

658

(6)

Cash operating costs

R/kg

328 601

299 804

(10)

Operating profit

R'000

55 374

93 819

(41)

Phakisa increased tonnes milled from 126 000t to 129 000t quarter on quarter. Recovered grade decreased by 8% to 4.78g/t. During the March 2012 quarter 616kg of gold was produced, a decrease of 6% quarter on quarter due to the decline in the grade.

Cash operating costs increased by 10% to R328 601/kg, due to lower gold production and additional labour costs (crews from Bambanani, post its restructuring, were transferred to Phakisa). An operating profit of R55 million was generated during the quarter.

**Hidden Valley (held in Morobe Mining Joint Venture – 50% of attributable production reflected)**

March

December

%

Indicator                      Units

2012

2011

variance

Tonnes                      000

418

474  
 (12)  
 Grade g/t  
 1.17  
 1.72  
 (32)  
 Gold produced  
 Kg  
 490  
 816  
 (40)  
 Cash operating costs  
 R/kg  
 427 753  
 268 500  
 (59)  
 Operating profit  
 R'000  
 18 910  
 188 062  
 (90)

Hidden Valley produced 490kg of gold and 5 319kg of silver at a cash cost of R427 753/kg. This compares with 816kg of gold and 8 564kg of silver produced in the December 2011 quarter at a cash cost of R268 500/kg.

Gold production was adversely affected by high rainfall during the months of January and February 2012, which impeded access to high-grade ore.

Increased reliance on low-grade oxide stockpiles during the period resulted in both lower mill throughput and lower recoveries, also contributing to lower overall gold and silver production.

Lower gold production was the main contributor to the increase in cash costs per ounce. Trucking of ore to the mill continues to supplement the use of the overland conveyor system and adds to the high-cost profile.

### **Masimong**

March

December

%

Indicator Units

2012

2011

variance

Tonnes 000

238

232

3

Grade g/t

3.26

3.85

(15)

Gold produced

Kg

776

894

(13)

Cash operating costs

R/kg

264 233

240 999

(10)

Operating profit

R'000

119 556

178 560

(33)

Masimong increased tonnes milled by 3% during the current quarter to 238 000t, at a lower recovered grade of 3.26g/t, which resulted in a 13% decrease in gold production to 776kg. During the previous quarter it was identified that the reef ore pass system is beyond rehabilitation and a new ore pass will be developed. Until such time as the new ore pass is completed, reef and waste will be mixed and will affect the grade in the short term. This development has started and will be completed during the September 2012 quarter.

Cash operating costs were 10% higher at R264 233/kg due to lower gold production. Operating profit declined to R120 million due to lower gold production and a lower gold price received.

**Target 1**

March

December

%

Indicator

Units

2012

2011

variance

Tonnes

000

190

208

(9)

Grade

g/t

4.54

4.91

(8)

Gold produced

Kg

862

1 021

(16)

Cash operating costs

R/kg

240 175

202 816

(18)

Operating profit

R'000

148 186

240 255

(38)

Tonnage was down 9% at 190 000t, due to load-haul-dump trucks undergoing scheduled maintenance, which reduced loading from the massive stopes.

Recovered grade decreased to 4.54g/t. Due to lower tonnage and grade, the gold production declined by 16% to 862kg. Cash operating costs were R240 175kg, 18% higher than in the December 2011 quarter, mainly as a result of lower gold production. An operating profit of R148 million was recorded, a 38% decrease on the previous quarter, resulting both from lower gold production and a lower gold price received.

**Target 3**

March

December

%

Indicator Units

2012

2011

variance

Tonnes 000

82

76

8

Grade g/t

3.61

3.89

(7)

Gold produced

Kg

296

296

-

Cash operating costs

R/kg

354 581

350 851

(1)

Operating profit

R'000

20 423

24 174

(16)

Gold production from Target 3 remained flat at 296kg, with an increase of 8% in tonnage to 82 000t offsetting the effect of a decline in the recovered grade to 3.61g/t.

Operating profit of R20 million was recorded compared to R24 million during the previous quarter, the decline due to the lower gold price received during the quarter. Cash operating costs were stable at R354 581/kg.

**Tshepong**

March

December

%

Indicator	Units
-----------	-------

2012

2011

variance

Tonnes	000
--------	-----

323

306

6

Grade	g/t
-------	-----

4.02

5.08

(21)

Gold produced

Kg

1 297

1 555

(17)

Cash operating costs

R/kg

244 231

203 708

(20)

Operating profit

R'000

225 386

371 743

(39)

Tshepong increased tonnes milled by 6% to 323 000t.

8

**Results for the third quarter FY12  
ended 31 March 2012**

Recovered grade was lower at 4.02g/t compared to the exceptional 5.08g/t in the previous quarter. Management is investigating ways to improve the waste/reef split from the decline, which currently negatively impacts on the recovered grade.

Tshepong produced 1 297kg for the quarter, a 17% reduction quarter on quarter.

Cash operating costs increased by 20% to R244 231/kg, a function of lower gold production. Operating profit was R225 million.

**OTHER OPERATIONS**

**Bambanani**

March

December

%

Indicator	Units
-----------	-------

2012

2011

variance

Tonnes	000
--------	-----

20

25

(20)

Grade	g/t
-------	-----

8.35

8.56

(3)

Gold produced

Kg

167

214

(22)

Cash operating costs

R/kg

494 916

564 808

12

Operating loss

R'000

(12 782)

(30 458)

58

Bambanani had a challenging quarter. In terms of a Section 54\* stoppage imposed by the Department of Mineral Resources (DMR) following a fatality at West shaft, Bambanani, as well as Steyn 2, West Shaft and Unisel were stopped for 21 days as one general manager is responsible for all of these shafts. To safely resume operations after a stoppage can take up to three days.

Recovered grade was 8.35g/t, a decrease of 3% due to the decrease in face grade values. As a result of lower volumes and a decline in grade,

only 167kg of gold was produced for the quarter.

Cash operating costs decreased to R494 916/kg as the restructuring process of only mining the shaft pillar in future is being finalised, but remained very high due to the low gold production. An operating loss of R13 million was recorded compared to a loss of R30 million in the December 2011 quarter.

### Steyn 2

March

December

%

Indicator                      Units

2012

2011

variance

Tonnes                      000

11

15

(27)

Grade                      g/t

6.91

7.53

(8)

Gold produced

Kg

76

113

(33)

Cash operating costs

R/kg

447 842

337 593

(33)

Operating (loss)/profit

R'000

(2 379)

13 010

>(100)

Steyn 2 was also adversely affected by the 21-day stoppage (refer to the Bambanani commentary above) and a subsequent three-day safe start-up. Only 11 000t were milled in the March 2012 quarter. The transport of the ore is a constraint at Steyn 2 until West Shaft's infrastructure upgrade to facilitate more hosting capacity has been completed. This is expected to be completed by the end of June 2012.

*\* In terms of the Mine Health and Safety Act 29 of 1996.*

### Evander

March

December

%

Indicator                      Units

2012

2011

variance	
Tonnes	000
123	
117	
5	
Grade	g/t
6.75	
7.19	
(6)	
Gold produced	
kg	
830	
841	
(1)	
Cash operating costs	
R/kg	
214 901	
214 379	
–	

Operating profit

R'000  
169 427  
183 652

(8)

Evander increased tonnes milled by 5% to 123 000t during the March 2012 quarter, while the recovered grade was 6% lower at 6.75g/t. Gold production was slightly lower at 830kg due to the decrease in grade.

Cash operating costs were stable at R214 901/kg for the quarter, while the operating profit decreased by 8% quarter on quarter to R169 million, due both to lower production and a lower gold price received.

### Joel

March  
December  
%

Indicator	Units
2012	
2011	
variance	
Tonnes	000
113	
150	
(25)	
Grade	g/t
4.03	
4.85	
(17)	
Gold produced	
kg	
455	

727  
 (37)  
 Cash operating costs  
 R/kg  
 281 404  
 199 586  
 (41)  
 Operating profit  
 R'000  
 54 303  
 178 690  
 (70)

Unplanned rope guide repairs in North Shaft caused a 14-day stoppage at Joel, resulting in ore tonnage being locked up underground. Some 113 000t of ore were milled, 25% less than in the previous quarter, while recovered grade was 17% lower at 4.03g/t.

Due to lower volume and grade, gold production declined to 455kg from the previous quarter's 727kg. Cash operating costs increased to R281 404/kg due to lower gold production. Operating profit of R54 million was generated during the quarter.

#### Unisel

March

December

%

Indicator	Units
-----------	-------

2012

2011

variance

Tonnes milled

000

90

100

(10)

Grade	g/t
-------	-----

3.69

4.62

(20)

Gold produced

Kg

332

462

(28)

Cash operating costs

R/kg

356 738

276 102

(29)

Operating profit

R'000

19 679

77 308

(75)

Unisel's tonnage decreased by 10% to 90 000t. Unisel was also subject to a safety stoppage due to a fatality that occurred at Bambanani West. Unisel's grade normalised to 3.69g/t in the quarter under review from an abnormally higher grade of 4.62g/t achieved in the December 2011 quarter. Gold production was 28% lower than the previous quarter due to lower volume and grade.

Cash operating costs increased to R356 738/kg as a result of lower gold production. Operating profit of R20 million was recorded for the quarter.

9

**TOTAL SOUTH AFRICAN SURFACE OPERATIONS**

March

December

%

Indicator

Units

2012

2011

variance

**Tonnes****000**

2 427

2 225

9

**Grade****g/t**

0.34

0.43

(21)

**Gold produced****Kg** 835

956

(13)

**Cash operating costs** **R/kg**

275 214

240 183

(15)

**Operating profit****R'000**

123 113

180 079

(32)

Surface sources increased tonnage by 9% to 2 427 000t, the main contribution coming from the Phoenix tailings. Gold production, however, was lower at 835kg due to a 21% decline in the recovered grade to 0.34g/t.

Cash operating costs increased to R275 214/kg due to the lower gold output. The South African surface sources generated an operating profit of R123 million, collectively, 32% lower than the December 2011 quarter as a result of lower gold output and a lower gold price received.

**Kalgold**

March

December

%

Indicator

Units

2012

2011

variance

**Tonnes****000**

310

331

(6)

**Grade****g/t**

0.73

0.82  
 (11)  
 Gold produced  
 Kg  
 225  
 273  
 (18)  
 Cash operating costs  
 R/kg  
 323 222  
 268 462  
 (20)  
 Operating profit  
 R'000  
 25 607  
 41 495  
 (38)

Kalgold milled 310 000t during the quarter at a recovered grade of 0.73g/t. This represented decreases of 6% and 11%, respectively, when compared to the December 2011 quarter. Gold production declined to 225kg from the 273kg produced in the previous quarter.

Kalgold plant is replacing and repairing the carbon in leach (CIL) tanks, carbon regeneration circuit and the elution circuit. Satisfactory progress has been made on the CIL project during the quarter.

Cash operating costs increased by 20% to R323 222/kg due to lower gold production, additional repair work during the quarter and the rental costs of mobile crushers. As a result, the operating profit decreased to R26 million for the quarter.

**Phoenix (tailings)**

March

December

%

Indicator                      Units

2012

2011

variance

Tonnes

000

1 256

1 085

16

Grade                      g/t

0.16

0.19

(16)

Gold produced

Kg

200

207

(3)

Cash operating costs

R/kg  
241 480  
236 551

(2)  
Operating profit

R'000  
39 159  
39 457

(1)  
Phoenix tailings increased tonnage by 16% to 1 256 000t. However, the recovered grade decreased to more normal 0.16g/t.

**Surface dumps (includes Evander surface sources)**

March

December

%

Indicator	Units
-----------	-------

2012

2011

variance

Tonnes	000
--------	-----

861

809

6

Grade	g/t
-------	-----

0.48

0.59

(19)

Gold produced

Kg

410

476

(14)

Cash operating costs

R/kg

265 324

225 544

(18)

Operating profit

R'000

58 347

99 127

(41)

Tonnage from the surface dumps increased by 6% during the March 2012 quarter to 861 000t. Recovered grade was 0.48g/t compared with the previous quarter's 0.59g/t, a consequence of most sources delivering lower grade material.

The lower recovered grade resulted in a reduction in gold production to 410kg.

Cash operating costs increased by 18% quarter on quarter to R265 324/kg. Operating profit of R58 million was generated, 41% lower than the December 2011 quarter due to the lower output and a

decrease in the gold price.

**10**

**Results for the third quarter FY12  
ended 31 March 2012**

**Development**

The main purpose of development is to explore the possibilities of future mining operations. A development programme is vital in the life of a mine. The on reef development grade on a shaft is an indication of the grades that will be mined in future. Important information is derived, such

as expected geological structures, dip of the ore body and the channel width.

Depending on the shaft layout – such as raise line length and spacing – ledging and stoping will take place in approximately 18 to 36 months after on reef development.

Therefore the target areas for development are extremely important to prove the existence of ore of sufficient mineral content to mine profitably and to continuously upgrade the resources to reserves.

**Mineral reserves block grades vs development grades**

**Note:** The ore reserve block grades reflect the grades of the blocks in the life-of-mine plans for the various operations. These blocks are to a large degree

the blocks above a certain cut-off grade that has been targeted for mining. The development grades are those as sampled in the ongoing on-reef development at the operations and no selectivity has been applied from a grade point of view.

**Doornkop**

There was a decrease in the development grade during the current quarter which is in line with expectations of the areas being developed on 202 level. On reef development was also stopped for the period in which the shaft infrastructure was being upgraded and this resulted in limited new information becoming available during the quarter. All on reef development has been re-started on the South Reef and better results are expected in the next quarter.

**Kusasaletu**

The quarter on quarter development grade has improved and the grades intersected continue to support the ore reserve estimates.

**Phakisa**

There was further progress with the development towards the north and these areas continue to return good grades, as expected. This resulted in an improved development grade for this quarter compared to the previous quarter.

**Masimong**

Basal Reef and B Reef development grades remained below expectation for the quarter and the areas being developed are receiving increased focus from the geologists in order to firm up on the geological models and provide improved guidance with respect to development target areas.

**Target (narrow reef mining)**

Quarter on quarter there was an increase in development grades of the narrow reef mining section at Target 1 shaft due to well-developed Dreyerskuil Reef that was intersected. At Target 3 there is still an encouraging improvement in both the metres developed and the development grade quarter on quarter.

**Tshepong**

The Basal Reef development grades were in line with expectations and returned good results especially from the areas to the west of the shaft and the decline area. The B Reef grade was lower quarter on quarter due to poorly developed reef that was intersected in some of the on reef development.

**Bambanani**

All of the development is taking place in the shaft pillar. There was a quarter on quarter drop in the wide raise development grade due to the intersection of an expected localised lower grade area.

**Evander**

Grade of the reef development, as expected, is down quarter on quarter due to developing only one winze in the high grade area down to 25 level. All the other development is at the lower grade edge of the bigger payshoot. In the next few months more winzes will start up within the high grade area of the main pay shoot and this will improve the overall development grade.

**Joel**

The development grades at Joel remained above the reserve grade and are in line with our expectations.

**Unisel**

At Unisel, the development grade of the Basal Reef improved due to higher grade pillars that are being developed. The Leader Reef grade was better than expected and returned encouraging results. No Middle Reef was developed during the quarter.

11

Exploration highlights

**International (Papua New Guinea)**

**Morobe Mining Joint Venture (50% Harmony)**

**Wafi-Golpu**

During the March 2012 quarter, the independent review of the pre-feasibility study began, with the final report expected to be released to the

Joint Venture partners (Harmony and Newcrest Mining Limited) during the September 2012 quarter. The upgrade of the existing Wafi camp

continued during the March 2012 quarter, supporting the extensive drilling activity being undertaken. Construction and upgrade of the road to

site progressed during the quarter. Stakeholder engagement with the community, landowners and various government agencies also continued

during the period.

The pre-feasibility study remains on schedule, for completion in the first half of calendar 2012, with consideration by the Joint Venture partners to

occur thereafter. The infill drilling programme continued to encounter challenging down-hole conditions associated with the deep targets at Golpu,

with only two holes completed in the quarter under review.

Infill resource drill hole WR418 intersected a significant zone of high grade mineralisation which returned 604m @ 2.01% Cu and 1.92g/t

Au from 922m, including 436m @ 2.56% Cu and 2.51g/t Au. This intercept confirms the continuity of the high grade mineralisation

within the central portion of the resource. Drilling in the upper levels of the system also intersected well-developed mineralisation.

Drill hole WR421 intersected 150 metres of highly mineralised porphyry, highlighting the potential for defining additional higher

grade mineralisation within the upper levels. Assay results are pending.

Drilling in the north has expanded the 0.1% Cu shell, with WR408 intersecting 450m @ 0.18% Cu and 0.11g/t Au from 1 592m.

WR415W-2 drilled the southern-most part of the deposit and intersected a large zone of low grade gold-copper mineralisation associated with

multiple porphyritic intrusions, returning 806m @ 0.30%Cu and 0.25g/t Au from 1 237m.

Results from the drilling are in line with the existing resource model. Six drill holes are currently in progress, seeking to extend the resource base

along the eastern margins of the system and within the upper levels.

Drill testing of the highly prospective Wafi Transfer Zone began during the quarter, and is presently testing the Kesiago and Zimake prospects.

At the Kesiago prospect, previous shallow drilling returned 389m @

**Figure 1. Golpu:**

(1)

Refer [www.harmony.co.za](http://www.harmony.co.za) for Statement of Mineral Resources and Ore Reserves at

30 June 2011. Resource figures quoted on 100% basis.

**Note:** Cu = copper; Au = gold.

12

**Results for the third quarter FY12  
ended 31 March 2012**

0.24g/t Au and confirmed the presence of porphyry-related mineralisation. Drilling is targeting higher-grade mineralisation below this zone.

The second rig is testing the Zimake prospect, where surface sampling has confirmed the presence of outcropping gold and copper mineralisation

co-incident with an extensive surface gold-copper geochemical anomaly and large geophysical feature.

**Figure 2:** Wafi- transfer zone – porphyry corridor

(1)

Refer to [www.harmony.co.za](http://www.harmony.co.za) for Statement of Mineral Resources and Ore Reserves as at 30 June 2011. Resource figures quoted on 100% basis.

**Note:** Cu = copper; Au = gold.

**Figure 3:** Plan view of Wafi-transfer zone

(1)

Refer to [www.harmony.co.za](http://www.harmony.co.za) for Statement of Mineral Resources and Ore Reserves as at 30 June 2011.

Resource figures quoted on 100% basis.

## 13

### **Hidden Valley district exploration**

Drilling at Hidden Valley confirmed the continuity and extent of the higher grade mineralisation within the current resource of the Hidden Valley and Kaveroi lodes, with the following significant results drilled this quarter:

- HVDD124  
81m @ 1.6g/t Au from 214m
- HVDD126  
35.3m @ 9.6g/t Au from 336.7m including 12m @ 23g/t Au from 345m
- HVDD131  
13m @ 2.6g/t Au from 188m and 36m @ 2.4g/t Au from 256m
- HVDD130  
10.4m @ 13g/t Au from 326.6m including 4m @ 31g/t Au from 333m

Results of the infill drill-hole HVDD126, designed to test for continuity of the high grade zone upon which the Kaveroi underground concept is based, have confirmed the geometry of this high grade domain.

Regionally, drill testing of the Heyu Prospect, located four kilometres northwest of the Hidden Valley mine, continued. Drilling has been successful, with the intersection of gold mineralisation. Significant results include:

- HEYDH001  
9m @ 1.4g/t Au from 287m and 8m @ 0.53g/t Au from 592.5m

Drilling will continue to test the remainder of the prospective geochemical targets to help define the extent of the mineralisation.

### **PNG exploration (Harmony 100%)**

Tenement processing at the Mineral Resource Authority progressed significantly. Six tenement renewals and five new tenement applications were approved during the quarter. This includes EL1786, a new tenement application at Lake Kopiago where a major porphyry Cu-Au target has been developed.

### **Mt Hagen project (EL1611 and EL1596)**

Exploration work at Mt Hagen focused on the Kurunga Intrusive Complex (KIC) with the aim of completing first pass exploration over the target by December 2012.

Drilling during the quarter was undertaken at Penamb and Bakil prospects for a total of 2 304m. Reconnaissance Exploration activities comprised ridge and spur soil sampling and mapping, and stream sediment sampling at the Ganz, and Penamb east prospects (355 samples).

Initial gold results from Penamb East are highly encouraging.

### **Bakil prospect (EL1611)**

Assays for BKDD002, and BKD003 were received during the quarter, but returned no significant results. No further work is planned at this stage.

### **Penamb prospect (EL1596)**

Drilling during the quarter at Penamb prospect comprised three holes/1 674m (PND003-PND005). Results received include:

- PNDD003  
225m @ 0.1% Cu, 87ppm Mo from 456m

- PNDD004\*  
79m @ 0.1% Cu, 54ppm Mo from 60m  
(\*results incomplete)

Results for PNDD005 are pending. Previous results reported for the prospect include:

- PNDD001  
285m @ 0.1% Cu, 83 Mo from 63m

- PNDD002  
144m @ 0.1% Cu, 27ppm Mo from 32m  
190m @ 0.1% Cu, 47ppm Mo from 193m

Drilling to date has outlined a 400m x 300m zone of 0.1% Cu mineralisation. Chalcopyrite occurs as vein stockworks and is finely disseminated. Alteration generally comprises weak to moderate biotite +/- actinolite forming selvages along vein margins. At this stage the system remains open but logging has yet to establish vectors to a high-grade mineralised core.

**Figure 4:** PNDD003; 749m. Fine chalcopyrite vein stockwork and disseminations, with biotite alteration forming vein selvages. The sample is characteristic of outer potassic alteration off the margin of a big porphyry Cu-Au-Mo system.

#### **Penamb East prospect (EL1611)**

Ridge and spur soil sampling at the Penamb East prospect has outlined a +0.1 g/t Au soil anomaly over 1km long and up to 400m wide, with individual assays ranging up to 0.3 g/t Au.

Follow-up creek mapping and rock chip sampling has established a northeast trend to the mineralisation with several veined and mineralised outcrops identified. Sixteen of the 43 rock chips collected returned gold grades greater than 0.1ppm. A large number of these samples were collected from outcropping veins consisting of quartz, white clay, pyrite and base metal sulphides, notably galena. The samples are anomalous in As, Sb and Ag levels, confirming an epithermal nature to the vein system.

#### **Southern Highlands project (EL1786)**

EL1786 was granted during the quarter. The tenement encompasses a bull's-eye magnetic target with associated Au-Cu skarn mineralisation, and is considered highly prospective for an Ok Tedi-style copper gold system. Work during the quarter included camp set-up and community awareness ahead of an airborne magnetic survey starting late in April.

#### **South Africa**

##### **Masimong exploration**

Masimong 5 shaft has a vast area, greater than that which has been mined at Masimong to date, of unknown potential to the east of a North-South striking 270m up-throw-fault running to the east of the shaft. The B Reef channels are expected to continue into this ground but have not been explored.

The aim of this surface drilling is therefore to locate these channels, with a view to developing into them. Diamond drilling of the first two holes (ED7 and 8) has commenced. A total of 2 358m have been drilled and the depth of the two holes is now 1 403.69m (ED8) and 1 535.3m (ED7) below surface. Both holes are very close to the estimated position of the B Reef.

14

**Results for the third quarter FY12  
ended 31 March 2012**

15

Operating results  
(Rand/Metric) (US\$/Imperial)

South Africa

International

Discontinued

Operations

Underground production

Surface production

Three

months

ended

Bamba-

nani

Doorn-

kop

Joel

Kusasa-

lethu

Masi-

mong

Phakisa

Steyn 2

Target 1

Target 3

Tshepong

Unisel

Total

Under-

ground

Kalgold

Phoenix

Dumps

Total

Surface

Other

Total

South

Africa

Hidden

Valley

Other

Total

Continuing

Operations

Evander

Evander

Surface

Harmony  
Total  
**Ore milled**  
**- t'000**  
**Mar-12**  
**20**  
**158**  
**113**  
**273**  
**238**  
**129**  
**11**  
**190**  
**82**  
**323**  
**90**  
**1 627**  
**310**  
**1 256**  
**812**  
**2 378**  
**-**  
**4 005**  
**418**  
**-**  
**4 423**  
**123**  
**49**  
**4 595**  
Dec-11  
25  
232  
150  
256  
232  
126  
15  
208  
76  
306  
100  
1 726  
331  
1 085  
772  
2 188  
**-**  
3 914  
474  
**-**  
4 388

117  
37  
4 542  
**Gold produced**  
**– kg**  
**Mar-12**  
**167**  
**500**  
**455**  
**1 221**  
**776**  
**616**  
**76**  
**862**  
**296**  
**1 297**  
**332**  
**6 598**  
**225**  
**200**  
**378**  
**803**  
**–**  
**7 401**  
**490**  
**–**  
**7 891**  
**830**  
**32**  
**8 753**  
Dec-11  
214  
897  
727  
1 268  
894  
658  
113  
1 021  
296  
1 555  
462  
8 105  
273  
207  
423  
903  
**–**  
9 008  
816  
**–**

9 824

841

53

10 718

**Gold produced**

**- oz**

**Mar-12**

**5 369**

**16 075**

**14 629**

**39 256**

**24 949**

**19 805**

**2 443**

**27 714**

**9 517**

**41 699**

**10 674**

**212 130**

**7 234**

**6 430**

**12 153**

**25 817**

**-**

**237 947**

**15 754**

**-**

**253 701**

**26 685**

**1 029**

**281 415**

**Dec-11**

**6 880**

**28 839**

**23 374**

**40 767**

**28 743**

**21 155**

**3 633**

**32 826**

**9 517**

**49 994**

**14 854**

**260 582**

**8 777**

**6 655**

**13 600**

**29 032**

**-**

**289 614**

**26 235**

—  
315 849  
27 039  
1 704  
344 592  
**Yield**  
**—g/tonne**  
**Mar-12**  
**8.35**  
**3.16**  
**4.03**  
**4.47**  
**3.26**  
**4.78**  
**6.91**  
**4.54**  
**3.61**  
**4.02**  
**3.69**  
**4.06**  
**0.73**  
**0.16**  
**0.47**  
**0.34**  
—  
**1.85**  
**1.17**  
—  
**1.78**  
**6.75**  
**0.65**  
**1.90**  
Dec-11  
8.56  
3.87  
4.85  
4.95  
3.85  
5.22  
7.53  
4.91  
3.89  
5.08  
4.62  
4.70  
0.82  
0.19  
0.55  
0.41  
—  
2.30

1.72

—

2.24

7.19

1.43

2.36

**Cash operating**

**– R/kg**

**Mar-12**

**494 916**

**401 952**

**281 404**

**289 818**

**264 233**

**328 601**

**447 842**

**240 175**

**354 581**

**244 231**

**356 738**

**296 184**

**323 222**

**241 480**

**264 365**

**275 157**

—

**293 903**

**427 753**

—

**302 215**

**214 901**

**276 656**

**293 842**

**costs**

Dec-11

564 808

237 007

199 586

283 053

240 999

299 804

337 593

202 816

350 851

203 708

276 102

252 140

268 462

236 551

228 400

242 380

—  
251 162  
268 500  
—  
252 602  
214 379  
202 755  
249 356  
**Cash operating**  
**– \$/oz**  
**Mar-12**  
**1 991**  
**1 617**  
**1 132**  
**1 166**  
**1 063**  
**1 322**  
**1 801**  
**966**  
**1 426**  
**982**  
**1 435**  
**1 191**  
**1 300**  
**971**  
**1 063**  
**1 107**  
—  
**1 182**  
**1 721**  
—  
**1 216**  
**864**  
**1 132**  
**1 182**  
**costs**  
Dec-11  
2 170  
910  
767  
1 087  
926  
1 152  
1 297  
779  
1 348  
783  
1 061  
969  
1 031  
909

877  
931  
—  
965  
1 031  
—  
970  
824  
767  
958  
**Cash operating**  
**– R/tonne**  
**Mar-12**  
**4 133**  
**1 272**  
**1 133**  
**1 296**  
**862**  
**1 569**  
**3 094**  
**1 090**  
**1 280**  
**981**  
**1 316**  
**1 201**  
**235**  
**38**  
**123**  
**93**  
—  
**543**  
**501**  
—  
**539**  
**1 450**  
**181**  
**560**  
**costs**  
**Dec-11**  
**4 835**  
**916**  
**967**  
**1 402**  
**929**  
**1 566**  
**2 543**  
**996**  
**1 366**  
**1 035**  
**1 276**  
**1 184**

221  
45  
125  
100  
—  
578  
462  
—  
566  
1 541  
290  
588  
**Gold sold**  
**— kg**  
**Mar-12**  
**163**  
**461**  
**386**  
**1 384**  
**755**  
**599**  
**74**  
**801**  
**275**  
**1 262**  
**323**  
**6 483**  
**207**  
**202**  
**379**  
**788**  
—  
**7 271**  
**406**  
—  
**7 677**  
**850**  
**32**  
**8 559**  
Dec-11  
218  
911  
749  
1 201  
910  
670  
115  
1 040  
302  
1 583  
471

8 170

274

201

418

893

—

9 063

1 066

—

10 129

818

53

11 000

**Gold sold**

**— oz**

**Mar-12**

**5 241**

**14 821**

**12 410**

**44 497**

**24 274**

**19 258**

**2 379**

**25 753**

**8 841**

**40 574**

**10 385**

**208 433**

**6 655**

**6 494**

**12 185**

**25 334**

—

**233 767**

**13 053**

—

**246 820**

**27 328**

**1 029**

**275 177**

**Dec-11**

**7 009**

**29 289**

**24 081**

**38 613**

**29 257**

**21 541**

**3 697**

**33 437**

**9 710**

**50 895**

15 143  
 262 672  
 8 809  
 6 462  
 13 439  
 28 710  
 -  
 291 382  
 34 273  
 -  
 325 655  
 26 299  
 1 704  
 353 658  
**Revenue (R'000)**  
**Mar-12**  
**68 282**  
**193 030**  
**160 893**  
**579 738**  
**316 727**  
**251 284**  
**31 007**  
**335 149**  
**115 179**  
**529 302**  
**135 155**  
**2 715 746**  
**87 531**  
**84 659**  
**159 049**  
**331 239**  
 -  
**3 046 985**  
**174 823**  
 -  
**3 221 808**  
**356 635**  
**13 337**  
**3 591 780**  
 Dec-11  
 96 114  
 398 020  
 328 950  
 523 510  
 401 168  
 295 476  
 50 584  
 455 504  
 132 145  
 698 006

207 517  
3 586 994  
120 867  
88 082  
182 727  
391 676  
—  
3 978 670  
460 778  
—  
4 439 448  
357 866  
22 703  
4 820 017  
**Cash operating**  
**(R'000)**  
**Mar-12**  
**82 651**  
**200 976**  
**128 039**  
**353 868**  
**205 045**  
**202 418**  
**34 036**  
**207 031**  
**104 956**  
**316 768**  
**118 437**  
**1 954 225**  
**72 725**  
**48 296**  
**99 930**  
**220 951**  
—  
**2 175 176**  
**209 599**  
—  
**2 384 775**  
**178 368**  
**8 853**  
**2 571 996**  
**costs**  
Dec-11  
120 869  
212 595  
145 099  
358 911  
215 453  
197 271  
38 148  
207 075

103 852  
 316 766  
 127 559  
 2 043 598  
 73 290  
 48 966  
 96 613  
 218 869

—  
 2 262 467  
 219 096

—  
 2 481 563  
 180 293  
 10 746  
 2 672 602

**Inventory (R'000)**

**Mar-12**

**(1 587)**

**(23 609)**

**(21 449)**

**57 902**

**(7 874)**

**(6 508)**

**(650)**

**(20 068)**

**(10 200)**

**(12 852)**

**(2 961)**

**(49 856)**

**(10 801)**

**(2 796)**

**5 256**

**(8 341)**

—

**(58 197)**

**(53 686)**

—

**(111 883)**

**8 840**

—

**(103 043)**

**movement**

**Dec-11**

**5 703**

**6 200**

**5 161**

**(34 349)**

**7 155**

**4 386**

**(574)**

8 174  
4 119  
9 497  
2 650  
18 122  
6 082  
(341)  
(1 056)  
4 685

—  
22 807  
53 620  
—  
76 427  
(6 079)  
—  
70 348

**Production costs**

**(R'000)**

**Mar-12**

**81 064**

**177 367**

**106 590**

**411 770**

**197 171**

**195 910**

**33 386**

**186 963**

**94 756**

**303 916**

**115 476**

**1 904 369**

**61 924**

**45 500**

**105 186**

**212 610**

—

**2 116 979**

**155 913**

—

**2 272 892**

**187 208**

**8 853**

**2 468 953**

Dec-11

126 572

218 795

150 260

324 562

222 608

201 657

37 574  
 215 249  
 107 971  
 326 263  
 130 209  
 2 061 720  
 79 372  
 48 625  
 95 557  
 223 554

—  
 2 285 274  
 272 716

—  
 2 557 990  
 174 214  
 10 746  
 2 742 950

**Operating (R'000)**

**Mar-12  
 (12 782)**

**15 663  
 54 303  
 167 968  
 119 556  
 55 374  
 (2 379)  
 148 186  
 20 423  
 225 386  
 19 679  
 811 377  
 25 607  
 39 159  
 53 863  
 118 629**

—  
**930 006  
 18 910**

—  
**948 916  
 169 427  
 4 484**

**1 122 827  
 profit/(loss)\***

Dec-11  
 (30 458)  
 179 225  
 178 690  
 198 948  
 178 560

93 819  
 13 010  
 240 255  
 24 174  
 371 743  
 77 308  
 1 525 274  
 41 495  
 39 457  
 87 170  
 168 122  
 -  
 1 693 396  
 188 062  
 -  
 1 881 458  
 183 652  
 11 957  
 2 077 067  
**Operating**  
**(\$'000)**  
**Mar-12**  
**(1 653)**  
**2 025**  
**7 024**  
**21 721**  
**15 461**  
**7 161**  
**(307)**  
**19 163**  
**2 641**  
**29 147**  
**2 545**  
**104 928**  
**3 312**  
**5 064**  
**6 965**  
**15 341**  
 -  
**120 269**  
**2 446**  
 -  
**122 715**  
**21 911**  
**580**  
**145 206**  
**profit/(loss)\***  
 Dec-11  
 (3 762)  
 22 134  
 22 069

24 570  
 22 053  
 11 587  
 1 607  
 29 672  
 2 985  
 45 910  
 9 548  
 188 373  
 5 125  
 4 873  
 10 765  
 20 763  
 —  
 209 136  
 23 226  
 —  
 232 362  
 22 681  
 1 477  
 256 520  
**Capital**  
**Mar-12**  
**54 600**  
**62 053**  
**14 059**  
**101 722**  
**44 094**  
**78 103**  
**14 665**  
**59 371**  
**21 770**  
**64 122**  
**17 111**  
**531 670**  
**18 613**  
**2 768**  
**1 414**  
**22 795**  
**9 553**  
**564 018**  
**82 003**  
**78 261**  
**724 282**  
**42 465**  
 —  
**766 747**  
**expenditure**  
 Dec-11  
 44 077  
 74 560

(R'000)

14 891  
 113 165  
 71 643  
 75 129  
 21 791  
 65 439  
 24 060  
 76 287  
 17 935  
 598 977  
 20 563  
 5 088  
 897  
 26 548  
 8 350  
 633 875  
 53 176  
 44 688  
 731 739  
 50 650

—  
 782 389  
**Capital (\$'000)**

**Mar-12**  
**7 061**  
**8 025**  
**1 818**  
**13 155**  
**5 702**  
**10 100**  
**1 896**  
**7 678**  
**2 815**  
**8 292**  
**2 213**  
**68 755**  
**2 407**  
**358**  
**158**  
**2 923**  
**1 261**  
**72 939**  
**10 605**  
**10 121**  
**93 665**  
**5 492**

—  
**99 157**  
**expenditure**  
 Dec-11  
 5 444

9 208  
1 839  
13 976  
8 848  
9 279  
2 691  
8 082  
2 971  
9 422  
2 215  
73 975  
2 540  
628  
111  
3 279  
1 031  
78 285  
6 567  
5 519  
90 371  
6 255  
—  
96 626

\* Operating profit/(loss) is comparable to the term production profit/(loss) in the segment report in the financial statements and not to the operating profit line item in the income statement.

16

**Results for the third quarter FY12  
and nine months ended 31 March 2012**

CONDENSED CONSOLIDATED INCOME STATEMENTS

(Rand)

**Quarter ended**

**Nine months ended**

**Year ended**

31 March 31 December<sup>1</sup>

31 March<sup>1</sup>

31 March

31 March<sup>1</sup>

30 June<sup>1</sup>

2012	2011	2011	2012	2011	2011
------	------	------	------	------	------

Figures in million

Note

(Unaudited)

(Unaudited)

(Unaudited)

(Unaudited)

(Unaudited)

(Audited)

**Continuing operations**

Revenue

3 222

4 439

2 761

11 235

8 443

11 596

Cost of sales

2

(2 721)

(3 116)

(2 414)

(8 811)

(7 473)

(10 699)

Production costs

(2 273)

(2 558)

(1 928)

(7 271)

(6 144)

(8 504)

Amortisation and depreciation

(431)

(497)

(392)

(1 373)

(1 172)

(1 609)					
Impairment of assets					
—	—	—	—	—	
(264)					
Employment termination and restructuring costs					
(19)	(17)	(26)	(70)		
(136)					
(136)					
Other items					
2	(44)	(68)	(97)	(21)	
(186)					
<b>Gross profit</b>					
<b>501</b>					
<b>1 323</b>					
<b>347</b>					
<b>2 424</b>					
<b>970</b>					
<b>897</b>					
Corporate, administration and other expenditure					
(96)					
(85)					
(84)					
(261)					
(258)					
(322)					
Social investment expenditure					
(22)	(14)	(27)	(50)	(66)	(82)
Exploration expenditure					
(143)	(99)	(75)	(339)	(225)	(324)
Profit on sale of property, plant and equipment					
—					
2					
5					
28					
22					
27					
Other (expenses)/income – net					
(5)					
11					
(7)					
24					

(55)					
(21)					
<b>Operating profit</b>					
<b>235</b>					
<b>1 138</b>					
<b>159</b>					
<b>1 826</b>					
<b>388</b>					
<b>175</b>					
Loss from associates					
—					
—					
(24)					
—					
(51)					
(51)					
Reversal of impairment/(impairment)					
of investate					
3					
6					
2					
(160)					
56					
(160)					
(142)					
Net gain on financial instruments					
36					
61					
3					
73					
108					
129					
Gain on farm-in option					
—					
—					
—					
—					
273					
273					
Investment					
income					
25	22	62	64		
110					
133					
Finance					
cost					
(65)	(80)	(63)	(214)	(185)	(268)
<b>Profit/(loss) before taxation</b>					
<b>237</b>					
<b>1 143</b>					
<b>(23)</b>					

<b>1 805</b>						
<b>483</b>						
<b>249</b>						
Taxation						
636	(256)					
299	323	250	387			
Normal taxation						
(16)	(60)	(5)	(115)	(26)	(27)	
Deferred taxation						
4	652	(196)				
304	438	276	414			
<b>Net profit from continuing operations</b>						
<b>873</b>	<b>887</b>	<b>276</b>	<b>2 128</b>	<b>733</b>	<b>636</b>	
<b>Discontinued operations</b>						
Profit/(loss) from discontinued operations						
3	141	159	(38)	410	(74)	(19)
<b>Net profit for the period</b>						
<b>1 014</b>						
<b>1 046</b>						
<b>238</b>						
<b>2 538</b>						
<b>659</b>						
<b>617</b>						
<i>Attributable to:</i>						
Owners of the parent						
1 014						
1 046						
238						
2 538						
659						
617						
<b>Earnings per ordinary share (cents)</b>						
5						
Earnings from continuing operations						
202						
206						
64						
494						
171						
148						
Earnings/(loss) from discontinued operations						
33	37	(9)	95			
(17)	(4)					

<b>Total earnings</b>					
<b>235</b>	<b>243</b>	<b>55</b>	<b>589</b>	<b>154</b>	<b>144</b>
<b>Diluted earnings per ordinary share (cents)</b>					
5					
Earnings from continuing operations					
202					
205					
64					
492					
171					
148					
Earnings/(loss) from discontinued operations					
32	37	(9)	95		
(17)	(4)				
<b>Total diluted earnings</b>					
<b>234</b>	<b>242</b>	<b>55</b>	<b>587</b>	<b>154</b>	<b>144</b>

<sup>1</sup> The comparative figures are re-presented due to Evander being reclassified as a discontinued operation. See note 3 in this regard.

The accompanying notes are an integral part of these condensed consolidated financial statements.

17

## CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Rand)

**Quarter ended****Nine months ended****Year ended**

31 March

31 December

31 March

31 March

31 March

30 June

2012                      2011                      2011                      2012                      2011                      2011

Figures in million

(Unaudited)

(Unaudited)

(Unaudited)

(Unaudited)

(Unaudited)

(Audited)

Net profit for the period

1 014

1 046

238

2 538

659

617

Other comprehensive

(loss)/income for the period,

net of income tax

(153)

179

6

981

(50)

368

Foreign exchange translation

(157)

212

22

979

(3)

470

Gain/(loss) on fair value movement

of available-for-sale investments

4

(33)

(16)

2

(47)

(102)

**Total comprehensive income for the period**

**861**  
**1 225**  
**244**  
**3 519**  
**609**  
**985**

*Attributable to:*

Owners of the parent

861  
 1 225  
 244  
 3 519  
 609  
 985

The accompanying notes are an integral part of these condensed consolidated financial statements.

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(Rand) (Unaudited)

for the nine months ended 31 March 2012

Share

Other

Retained

Figures in million

capital

reserves

earnings

Total

Balance – 30 June 2011

28 305

762

1 093

30 160

Issue of shares

24

–

–

24

Share-based

payments

–                      72

–

72

Net profit for the period

–

–

2 538

2 538

Other comprehensive income for the period

–

981

–

981

Dividends paid

–	–		
(431)			
(431)			
<b>Balance – 31 March 2012</b>			
<b>28 329</b>			
<b>1 815</b>			
<b>3 200</b>			
<b>33 344</b>			
Balance – 30 June 2010			
28 261			
258			
690			
29 209			
Issue of shares			
29			
–			
–			
29			
Share-based			
payments			
–	91	–	91
Net profit for the period			
–			
–			
659			
659			
Other comprehensive loss for the period			
–			
(50)			
–			
(50)			
Dividends paid			
–	–		
(214)			
(214)			
<b>Balance – 31 March 2011</b>			
<b>28 290</b>			
<b>299</b>			
<b>1 135</b>			
<b>29 724</b>			

The accompanying notes are an integral part of these condensed consolidated financial statements.

The unaudited financial statements for the nine months ended 31 March 2012 have been prepared by Harmony Gold Mining Company Limited's corporate reporting team headed by Mr Herman Perry. This process was supervised by the financial director, Mr Frank Abbott and approved by the Board of Harmony Gold Mining Company Limited. These financial statements have not been audited or independently reviewed.

18

**Results for the third quarter FY12  
and nine months ended 31 March 2012**

CONDENSED CONSOLIDATED BALANCE SHEETS

(Rand)

At	At	At	At
31 March			
31 December			
30 June			
31 March			
2012	2011	2011	2011

Figures in million

Note

(Unaudited)

(Audited)

(Unaudited)

**ASSETS**

**Non-current assets**

Property, plant and equipment

31 949

32 830

31 221

30 557

Intangible

assets

2 194 2 185 2 170 2 188

Restricted cash

30 31 31 27

Restricted investments

1 808 1 929 1 883 1 866

Deferred tax assets

1 042 1 179 1 149 2 310

Investments in financial assets

187

183

185

236

Inventories

165 169 172 227

Trade and other receivables

35

28

23

69

**Total**

**non-current assets**

**37 410 38 534 36 834 37 480**

**Current assets**

Inventories

1 086 990 837 954

Trade and other receivables

1 259			
1 131			
1 073			
1 111			
Income and mining taxes			
142			
194			
139			
119			
Cash and cash equivalents			
1 427			
1 205			
693			
656			
3 914	3 520	2 742	2 840
Assets of disposal groups classified as held for sale			
3			
1 326			
315			
268			
174			
<b>Total current assets</b>			
<b>5 240</b>	<b>3 835</b>	<b>3 010</b>	<b>3 014</b>
<b>Total assets</b>			
<b>42 650</b>	<b>42 369</b>	<b>39 844</b>	<b>40 494</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Share capital			
28 329	28 326	28 305	28 290
Other reserves			
1 815			
1 945	762	299	
Retained earnings			
3 200	2 359	1 093	1 135
<b>Total equity</b>			
<b>33 344</b>	<b>32 630</b>	<b>30 160</b>	<b>29 724</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities			
3 568	4 452	4 216	5 623
Provision for environmental rehabilitation			
1 905			
2 092			
1 971			
1 785			
Retirement benefit obligation and other provisions			
181			

177				
174				
179				
Borrowings				
6	1 277	991	1 229	1 487
<b>Total</b>				
<b>non-current liabilities</b>				
<b>6 931</b>	<b>7 712</b>	<b>7 590</b>	<b>9 074</b>	
<b>Current liabilities</b>				
Borrowings				
6	318	323	330	336
Income and mining taxes				
7				
3				
2				
17				
Trade and other payables				
1 543				
1 684				
1 746				
1 343				
1 868	2 010	2 078	1 696	
Liabilities of disposal groups classified as held for sale				
3				
507				
17				
16				
—				
<b>Total current liabilities</b>				
<b>2 375</b>	<b>2 027</b>	<b>2 094</b>	<b>1 696</b>	
<b>Total equity and liabilities</b>				
<b>42 650</b>				
<b>42 369</b>				
<b>39 844</b>				
<b>40 494</b>				

The accompanying notes are an integral part of these condensed consolidated financial statements.

19

## CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

(Rand)

**Quarter ended****Nine months ended****Year ended**

31 March

31 December

31 March

31 March

31 March

30 June

2012                      2011                      2011                      2012                      2011                      2011

Figures in million

(Unaudited)

(Unaudited)

(Unaudited)

(Unaudited)

(Unaudited)

(Audited)

**Cash flow from operating activities**

Cash generated by operations

682

1 566

213

3 340

1 366

2 418

Interest and dividends received

32

12

64

60

116

140

Interest

paid

(26)                      (36)                      (34)                      (103)                      (99)

(134)

Income and mining taxes refunded/(paid)

35

(149)

8

(114)

(26)

(45)

**Cash generated by operating activities****723****1 393****251****3 183**

1 357

2 379

**Cash flow from investing activities**

Decreased in restricted cash

—

—

—

—

120

116

Proceeds on disposal of investment in subsidiary

—

—

—

—

229

229

Proceeds on disposal of investment in associate

193

—

—

193

—

—

Proceeds on disposal of available-for-sale  
financial  
assets

—

—

—

—

1

16

Pre-payment for Evander 6  
and Twistdraai transaction

—

—

—

—

—

100

Other investing activities

(33)

3

16

(30)

20

(5)

Net additions to property,  
plant and equipment

(740)

(779)

(687)

(2 187)

(2 281)					
(3 110)					
<b>Cash utilised by investing activities</b>					
<b>(580)</b>					
<b>(776)</b>					
<b>(671)</b>					
<b>(2 024)</b>					
<b>(1 911)</b>					
<b>(2 654)</b>					
<b>Cash flow from financing activities</b>					
Borrowings					
raised					
302					
–	250	1 101	775	925	
Borrowings					
repaid					
(17)	(718)	(17)	(1 087)	(130)	(546)
Ordinary shares issued – net of expenses					
3					
11					
13					
23					
29					
44					
Dividends					
paid					
(173)					
–					
–	(431)	(214)	(214)		
<b>Cash generated/(utilised)</b>					
<b>by financing activities</b>					
<b>115</b>					
<b>(707)</b>					
<b>246</b>					
<b>(394)</b>					
<b>460</b>					
<b>209</b>					
<b>Foreign currency translation adjustments</b>					
<b>(36)</b>					
<b>(30)</b>					
<b>(7)</b>					
<b>(31)</b>					
<b>(20)</b>					
<b>(11)</b>					
Net increase/(decrease) in cash and					
cash					
equivalents					
222	(120)				
(181)	734	(114)	(77)		
Cash and cash equivalents					
– beginning of period					

1 205

1 325

837

693

770

770

**Cash and cash equivalents**

**– end of period**

**1 427**

**1 205**

**656**

**1 427**

**656**

**693**

The accompanying notes are an integral part of these condensed consolidated financial statements.

20

**Results for the third quarter FY12  
and nine months ended 31 March 2012**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

for the period ended 31 March 2012 (Rand)

**1. Accounting policies**

*Basis of accounting*

The condensed consolidated financial statements for the nine months ended 31 March 2012 have been prepared in accordance with IAS 34, Interim Financial Reporting, JSE Listings Requirements and in the manner required by the Companies Act of South Africa. They should be read in conjunction with the annual financial statements for the year ended 30 June 2011, which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS). The accounting policies are consistent with those described in the annual financial statements, except for the adoption of applicable revised and/or new standards issued by the International Accounting Standards Board.

**2.**

**Cost of sales**

**Quarter ended**

**Nine months ended**

**Year ended**

31 March

31 December

1

31

March

1

31 March

31 March

1

30

June

1

2012

2011

2011

2012

2011

2011

Figures in million

(Unaudited)

(Unaudited)

(Unaudited)

(Unaudited)

(Unaudited)

(Audited)

Production costs – excluding royalty

2 231

2 499

1 897

7 138

6 059

8 408

Royalty

expense					
42	59	31	133	85	96
Amortisation and depreciation					
431					
497					
392					
1 373					
1 172					
1 609					
Impairment of assets					
–					
–					
–					
–					
–					
264					
Rehabilitation expenditure					
2					
(43)					
1					
5					
(37)					
13					
43					
Care and maintenance cost of restructured shafts					
20					
20					
32					
69					
82					
117					
Employment termination and restructuring costs					
3					
19	17	26	70		
136					
136					
Share-based payments					
21	23	26	66	82	
125					
Other –					
–					
5					
(1)					
(156)					
(99)					
<b>Total cost of sales</b>					
<b>2 721</b>					
<b>3 116</b>					

2 414

8 811

7 473

10 699

1

The comparative figures are re-presented due to Evander being reclassified as a discontinued operation. See note 3 in this regard.

2

The credit in the current quarter relates to a change in estimate on areas where rehabilitation work has been performed.

3

The amounts for the 2012 financial year relates to restructuring at the Bambanani shaft.

**3.**

### **Disposal groups classified as held for sale and discontinued operations**

#### *Investment in Rand Uranium*

The investment in Rand Uranium (Proprietary) Limited (Rand Uranium) was classified as held for sale in the March 2011 quarter following a decision to sell it. The transaction with Gold One International Limited (Gold One) was concluded on 6 January 2012, with the first payment of US\$24 million (R193 million) being received on that day. The outstanding amount as at 31 March 2012 was R108 million. Subsequent to the March 2012 quarter-end, additional payments were received from Gold One for the sale. For further information refer to note 8.

#### *Evander Gold Mines Limited*

The assets and liabilities related to Evander Gold Mines Limited (Evander), a wholly-owned subsidiary of Harmony Gold Mining Company Limited (Harmony), have been classified as held for sale following signing of the sale of share and claims agreement on 30 January 2012 with Pan African Resources plc and Witwatersrand Consolidated Gold Resources Limited (the Consortium). The disposal will be for an aggregate purchase consideration of R1.7 billion, excluding the proceeds of the Taung Gold Limited transaction and less certain distributions made by Evander to Harmony between 1 April 2012 and the close of the transaction.

The transaction is subject to, among others, the following conditions precedent:

- the Consortium raising the required funding comprising of debt and/or equity;
- each of the Consortium members obtaining the requisite shareholder approval for the acquisition; and
- obtaining all relevant regulatory approvals.

The operation also meets the requirements to be classified as a discontinued operation. The comparative figures in the income statement

have been re-presented as a result.

### **4. Deferred taxation**

The deferred tax for the March 2012 quarter includes a tax credit of R605 million, relating to a change in the gold mining tax rate formula in South Africa. Previously some of our subsidiaries were exempt from paying Secondary Tax on Companies when declaring a dividend,

but had to pay a higher mining tax rate. With the introduction of Dividend Tax, the higher gold mining tax rate formula was repealed

resulting in lower income tax and deferred tax rates. The affected subsidiaries are Randfontein, Freegold, Evander and Kalgold.

21

5.

**Earnings and net asset value per share****Quarter ended****Nine months ended****Year ended**

31 March

31 December

1

31

March

1

31 March

31 March

1

30

June

1

2012

2011

2011

2012

2011

2011

(Unaudited)

(Unaudited)

(Unaudited)

(Unaudited)

(Unaudited)

(Audited)

Weighted average number

of

shares

(million)

431.3

430.5

429.5

430.6

429.1

429.3

Weighted average number

of diluted shares (million)

432.8

432.3

430.7

432.2

430.2

430.4

**Total earnings per share (cents):**

Basic

earnings

235

243

55

589

154

144

Diluted

earnings

234

242

55

587

154

144

Headline

earnings

234

242

91

571

192

223

– from continuing operations

201

205

100

477

214

232

– from discontinued operations

33  
 37  
 (9)  
 94  
 (22)  
 (9)  
 Diluted headline earnings  
 233  
 241  
 91  
 569  
 192  
 222  
 – from continuing operations  
 200  
 204  
 100  
 475  
 214  
 231  
 – from discontinued operations  
 33  
 37  
 (9)  
 94  
 (22)  
 (9)

Figures in million

**Reconciliation of headline earnings:**

**Continuing operations**

Net profit					
873	887	276	2 128	733	636

*Adjusted for:*

(Reversal of impairment)/impairment of investment in associate\*

(6)

(2)

160

(55)

160

142

Foreign exchange loss reclassified from other comprehensive income\*

–

–

–

–

47

47

Impairment of assets

-					
-					
-					
-					
-					
264					
Taxation effect on impairment of assets					
-					
-					
-					
-					
(66)					
Other adjustments					
-					
(3)	(9)	(28)	(26)	(34)	
Taxation effect on other adjustments					
(1)					
1					
2					
7					
7					
8					
<b>Headline earnings</b>					
<b>866</b>	<b>883</b>	<b>429</b>	<b>2 052</b>	<b>921</b>	<b>997</b>
<b>Discontinued operations</b>					
Net profit/(loss)					
141	159	(38)	410	(74)	(19)
<i>Adjusted for:</i>					
Profit on sale of investment in subsidiary					
-	-	-	-		
(138)					
(54)					
Taxation effect of profit on sale of investment in subsidiary					
-					
-					
-					
-					
34					
34					
Profit on sale of property, plant and equipment					
-	(1)	(2)	(2)	(2)	(2)

Taxation effect of profit on sale of  
property, plant and equipment

—

—

1

—

1

1

Foreign exchange loss reclassified  
from other comprehensive income\*

—

—

—

—

84

—

**Headline**

**earnings/(loss)**

**141            158            (39)            408            (95)            (40)**

**Total headline earnings**

**1 007**

**1 041**

**390**

**2 460**

**826**

**957**

1

The comparative figures are re-presented due to Evander being reclassified as a discontinued operation. See note 3 in this regard.

\* There is no taxation effect on these items.

**Net asset value per share**

At            At            At            At

31 March

31 December

30 June

31 March

2012            2011            2011            2011

(Unaudited)

(Audited)

(Unaudited)

Number of shares in issue

431 471 444

431 312 677    430 084 628    429 807 371

Net asset value per share (cents)

7 728

7 565

7 013

6 916

22

**Results for the third quarter FY12  
and nine months ended 31 March 2012**

**6. Borrowings**

The Nedbank revolving credit facility was repaid in full during the December 2011 quarter. The full R850 million facility is available until

December 2013. The balance on Nedbank term facilities at the end of March 2012 quarter is R915 million.

In addition to the US\$50 million drawn during the September 2011 quarter, a further US\$40 million of the US\$300 million syndicated revolving credit facility was drawn during the March 2012 quarter, with US\$210 million still available. The facility is repayable by August 2015 and attracts interest at LIBOR plus 260 basis points, which is payable quarterly.

7.

**Commitments and contingencies**

At	At	At	At
31 March			
31 December			
30 June			
31 March			
2012	2011	2011	
2011			

Figures in million

(Unaudited)

(Audited)

(Unaudited)

**Capital expenditure commitments:**

Contracts for capital expenditure

391

291

194

191

Authorised by the directors but not contracted for

3 032

3 373

1 504

2 175

**3 423**

**3 664**

**1 698**

**2 366**

This expenditure will be financed from existing resources and, where appropriate, borrowings.

**Contingent liability**

For a detailed disclosure on contingent liabilities refer to Harmony's annual report for the financial year ended 30 June 2011, available on the group's website ([www.harmony.co.za](http://www.harmony.co.za)). There were no significant changes in contingencies since 30 June 2011, except as discussed below.

Harmony reached a mutually acceptable settlement with the plaintiff class and this settlement was found to be fair and reasonable and was

approved by the United States District Court in November 2011. A single class member has filed an appeal of the District Court's order approving

the settlement. That appeal is currently pending in the United States Court of Appeals for the Second Circuit. The

settlement amount has been

paid into escrow by the company's insurers and will be distributed to the plaintiffs once the appeal has been finalised.

**8. Subsequent events**

During April 2012, an amount of R86 million was received from Gold One relating to the sale of shares in Rand Uranium. An additional

R25 million is being held in an escrow account for a period of 12 months.

**9. Segment report**

The segment report follows on the page 23.

**10. Reconciliation of segment information to consolidated income statements**

**Nine months ended**

31 March

31 March

1

2012 2011

Figures in million

(Unaudited) (Unaudited)

The "Reconciliation of segment information to consolidated income statement" line item in the segment report is broken down in the following elements, to give a better understanding of the differences between the income statement and segment report:

**Reconciliation of production profit to gross profit**

Total segment revenue

12 341

9 023

Total segment production costs

(7 834)

(6 649)

Production profit per segment report

4 507

2 374

Discontinued operations

(543) (75)

Production profit from continuing operations

3 964

2 299

Cost of sales items, other than production costs and royalty expense

(1 540)

(1 329)

**Gross profit as per income statements \***

**2 424**

**970**

1

The comparative figures are re-presented due to Evander being reclassified as a discontinued operation. See note 3 in this regard.

\* The reconciliation was done up to the first recognisable line item on the income statement. The reconciliation will follow the income statement after that.

**23**

**SEGMENT REPORT**

(Rand/Metric) (Unaudited)

for the nine months ended 31 March 2012

**Production**

**Production**

**Capital**

**Kilograms**

**Tonnes**

**Revenue**

**cost**

**profit/(loss)**

**expenditure**

**produced**

**milled**

31 March

31 March

31 March

31 March

31 March

31 March

**2012**

2011

**2012**

2011

**2012**

2011

**2012**

2011

**2012**

2011

**2012**

2011

R million

R million

R million

R million

kg

t'000

**Continuing operations**

**South Africa**

**Underground**

Bambanani

421	671	480	603	(59)	68	212	231
-----	-----	-----	-----	------	----	-----	-----

1 068

2 289	163	314					
-------	-----	-----	--	--	--	--	--

Doornkop

939	530	626	418	313	112	201	221
-----	-----	-----	-----	-----	-----	-----	-----

2 263

1 755	667	484					
-------	-----	-----	--	--	--	--	--

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Joel									
773	295	406	293	367	2	42	55		
1 873									
1 001	410	286							
Kusasaletu									
1 678									
1 252									
1 072	976	606	276	312	274				
4 043									
4 023	860	794							
Masimong									
1 032									
1 045	635	571	397	474	166	129			
2 466									
3 453	702	678							
Phakisa									
753	390	585	337	168	53	227	276		
1 800									
1 290	368	281							
Target									
1 497	732	916	520	581	212	245	348		
3 655									
3 017	844	562							
Tshepong									
1 694									
1 508	935	852	759	656	199	201			
4 035									
4 995	916								
1 016									
Virginia									
479	539	366	451	113	88	51	63		
1 134									
1 793	282	470							
<b>Surface</b>									
All other surface operations									
1 074	763	678	606	396	157				
96									
93	2 569	2 581	6 997	7 640					
<b>Total South Africa</b>									
<b>10 340</b>	<b>7 725</b>	<b>6 699</b>	<b>5 627</b>	<b>3 641</b>	<b>2 098</b>	<b>1 751</b>	<b>1 891</b>	<b>24 906</b>	<b>26 197</b>
<b>12 209</b>	<b>12 525</b>								
<b>International</b>									
Hidden									
Valley									
895	718	572	517	323	201	175	212	2 098	2 292
1 307	1 259								
Other									
-	-	-	-	-	-	-	-	-	-
192	-	-	-	-	-	-	-	-	-
<b>Total international</b>									

<b>895</b>	<b>718</b>	<b>572</b>	<b>517</b>	<b>323</b>	<b>201</b>	<b>367</b>	<b>212</b>	<b>2 098</b>	<b>2 292</b>
<b>1 307</b>	<b>1 259</b>								
<b>Total continuing operations</b>									
<b>11 235</b>	<b>8 443</b>	<b>7 271</b>	<b>6 144</b>	<b>3 964</b>	<b>2 299</b>	<b>2 118</b>	<b>2 103</b>	<b>27 004</b>	<b>28 489</b>
<b>13 516</b>	<b>13 784</b>								
<b>Discontinued operations</b>									
Evander									
1 106	580	563	505	543	75	131	146		
2 674									
1 894	491	635							
<b>Total discontinued operations</b>									
<b>1 106</b>	<b>580</b>	<b>563</b>	<b>505</b>	<b>543</b>	<b>75</b>	<b>131</b>	<b>146</b>		
<b>2 674</b>									
<b>1 894</b>	<b>491</b>	<b>635</b>							
<b>Total operations</b>									
<b>12 341</b>	<b>9 023</b>	<b>7 834</b>	<b>6 649</b>	<b>4 507</b>	<b>2 374</b>	<b>2 249</b>	<b>2 249</b>	<b>29 678</b>	<b>30 383</b>
<b>14 007</b>	<b>14 419</b>								

Reconciliation of the segment information to  
the consolidated income statement (refer to note 10)

(1 106)

(580)

(563)

(505)

**11 235**

**8 443**

**7 271**

**6 144**

24

**Results for the third quarter FY12  
ended 31 March 2012**

25

Operating results  
(US\$/Imperial)  
South Africa  
International  
Discontinued  
Operations  
Underground production  
Surface production  
Three  
months  
ended  
Bamba-  
nani  
Doorn-  
kop  
Joel  
Kusasa-  
lethu  
Masi-  
mong  
Phakisa  
Steyn 2  
Target 1  
Target 3  
Tshepong  
Unisel  
Total  
Under-  
ground  
Kalgold  
Phoenix  
Dumps  
Total  
Surface  
Other  
Total  
South  
Africa  
Hidden  
Valley  
Other  
Total  
Continuing  
Operations  
Evander  
Evander  
Surface

Harmony  
Total  
**Ore milled**  
**- t'000**  
**Mar-12**  
22  
174  
125  
301  
262  
142  
12  
210  
90  
356  
99  
1 793  
342  
1 385  
895  
2 622  
-  
4 415  
461  
-  
4 876  
136  
54  
5 066  
Dec-11  
28  
256  
165  
282  
256  
139  
17  
229  
84  
337  
110  
1 903  
365  
1 196  
851  
2 412  
-  
4 315  
523  
-  
4 838

129

41

5 008

**Gold produced**

– oz

**Mar-12**

**5 369**

**16 075**

**14 629**

**39 256**

**24 949**

**19 805**

**2 443**

**27 714**

**9 517**

**41 699**

**10 674**

**212 130**

**7 234**

**6 430**

**12 153**

**25 817**

–

**237 947**

**15 754**

–

**253 701**

**26 685**

**1 029**

**281 415**

Dec-11

6 880

28 839

23 374

40 767

28 743

21 155

3 633

32 826

9 517

49 994

14 854

260 582

8 777

6 655

13 600

29 032

–

289 614

26 235

–

315 849  
 27 039  
 1 704  
 344 592  
**Yield**                    -  
**oz/t**  
**Mar-12**  
**0.244**  
**0.092**  
**0.117**  
**0.130**  
**0.095**  
**0.139**  
**0.204**  
**0.132**  
**0.106**  
**0.117**  
**0.108**  
**0.118**  
**0.021**  
**0.005**  
**0.014**  
**0.010**  
 -  
**0.054**  
**0.034**  
 -  
**0.052**  
**0.196**  
**0.019**  
**0.056**  
 Dec-11  
 0.246  
 0.113  
 0.142  
 0.145  
 0.112  
 0.152  
 0.214  
 0.143  
 0.113  
 0.148  
 0.135  
 0.137  
 0.024  
 0.006  
 0.016  
 0.012  
 -  
 0.067  
 0.050

—  
0.065  
0.210  
0.042  
0.069  
**Cash operating**  
**— \$/oz**  
**Mar-12**  
**1 991**  
**1 617**  
**1 132**  
**1 166**  
**1 063**  
**1 322**  
**1 801**  
**966**  
**1 426**  
**982**  
**1 435**  
**1 191**  
**1 300**  
**971**  
**1 063**  
**1 107**  
—  
**1 182**  
**1 721**  
—  
**1 216**  
**864**  
**1 113**  
**1 182**  
**costs**  
Dec-11  
2 170  
910  
767  
1 087  
926  
1 152  
1 297  
779  
1 348  
783  
1 061  
969  
1 031  
909  
877  
931  
—

965  
1 031  
—  
970  
824  
779  
958  
**Cash operating**  
— \$/t  
**Mar-12**  
**486**  
**149**  
**132**  
**152**  
**101**  
**184**  
**367**  
**127**  
**151**  
**115**  
**155**  
**141**  
**27**  
**5**  
**14**  
**11**  
—  
**64**  
**59**  
—  
**63**  
**170**  
**21**  
**66**  
**costs**  
Dec-11  
533  
103  
109  
157  
104  
175  
277  
112  
153  
116  
143  
133  
25  
5  
14

11

–

65

52

–

63

173

32

66

**Gold sold**

**– oz**

**Mar-12**

**5 241**

**14 821**

**12 410**

**44 497**

**24 274**

**19 258**

**2 379**

**25 753**

**8 841**

**40 574**

**10 385**

**208 433**

**6 655**

**6 494**

**12 185**

**25 334**

–

**233 767**

**13 053**

–

**246 820**

**27 328**

**1 029**

**275 177**

**Dec-11**

**7 009**

**29 289**

**24 081**

**38 613**

**29 257**

**21 541**

**3 697**

**33 437**

**9 710**

**50 895**

**15 143**

**262 672**

**8 809**

**6 462**

13 439  
 28 710  
 -  
 291 382  
 34 273  
 -  
 325 655  
 26 299  
 1 704  
 353 658  
**Revenue**  
**Mar-12**  
**8 830**  
**24 962**  
**20 807**  
**74 971**  
**40 959**  
**32 496**  
**4 010**  
**43 341**  
**14 895**  
**68 449**  
**17 478**  
**351 198**  
**11 319**  
**10 948**  
**20 568**  
**42 835**  
 -  
**394 033**  
**22 608**  
 -  
**416 641**  
**46 120**  
**1 725**  
**464 486**  
 Dec-11  
 11 870  
 49 156  
 40 626  
 64 654  
 49 545  
 36 492  
 6 247  
 56 255  
 16 320  
 86 204  
 25 629  
 442 998  
 14 927  
 10 878

(\$'000)

22 567  
48 372  
—  
491 370  
56 907  
—  
548 277  
44 197  
2 804  
595 278  
**Cash operating**  
**(\$'000)**  
**Mar-12**  
**10 688**  
**25 990**  
**16 557**  
**45 762**  
**26 516**  
**26 177**  
**4 401**  
**26 773**  
**13 573**  
**40 964**  
**15 316**  
**252 717**  
**9 404**  
**6 246**  
**12 923**  
**28 573**  
—  
**281 290**  
**27 105**  
—  
**308 395**  
**23 066**  
**1 145**  
**332 606**  
**costs**  
Dec-11  
14 928  
26 256  
17 920  
44 326  
26 608  
24 363  
4 711  
25 574  
12 826  
39 121  
15 754  
252 387

9 051  
 6 047  
 11 932  
 27 030  
 -  
 279 417  
 27 059  
 -  
 306 476  
 22 267  
 1 327  
 330 070  
**Inventory (\$'000)**  
**Mar-12**  
**(205)**  
**(3 053)**  
**(2 774)**  
**7 488**  
**(1 018)**  
**(842)**  
**(84)**  
**(2 595)**  
**(1 319)**  
**(1 662)**  
**(383)**  
**(6 447)**  
**(1 397)**  
**(362)**  
**680**  
**(1 079)**  
 -  
**(7 526)**  
**(6 943)**  
 -  
**(14 469)**  
**1 143**  
 -  
**(13 326)**  
**movement**  
 Dec-11  
 704  
 766  
 637  
 (4 242)  
 884  
 542  
 (71)  
 1 009  
 509  
 1 173  
 327

2 238  
 751  
 (42)  
 (130)  
 579

—  
 2 817  
 6 622  
 —  
 9 439  
 (751)  
 —

8 688

**Production (\$'000)**

**Mar-12**

**10 483**

**22 937**

**13 783**

**53 250**

**25 498**

**25 335**

**4 317**

**24 178**

**12 254**

**39 302**

**14 933**

**246 270**

**8 007**

**5 884**

**13 603**

**27 494**

—

**273 764**

**20 162**

—

**293 926**

**24 209**

**1 145**

**319 280**

**costs**

**Dec-11**

**15 632**

**27 022**

**18 557**

**40 084**

**27 492**

**24 905**

**4 640**

**26 583**

**13 335**

**40 294**

16 081  
 254 625  
 9 802  
 6 005  
 11 802  
 27 609

—  
 282 234  
 33 681

—  
 315 915  
 21 516  
 1 327

338 758

**Operating (\$'000)**

**Mar-12**

**(1 653)**

**2 025**

**7 024**

**21 721**

**15 461**

**7 161**

**(307)**

**19 163**

**2 641**

**29 147**

**2 545**

**104 928**

**3 312**

**5 064**

**6 965**

**15 341**

—

**120 269**

**2 446**

—

**122 715**

**21 911**

**580**

**145 206**

**profit/(loss)\***

Dec-11

**(3 762)**

22 134

22 069

24 570

22 053

11 587

1 607

29 672

2 985

45 910  
 9 548  
 188 373  
 5 125  
 4 873  
 10 765  
 20 763  
 -

209 136  
 23 226

-  
 232 362

22 681  
 1 477

256 520

**Capital (\$'000)**

**Mar-12**

**7 061**

**8 025**

**1 818**

**13 155**

**5 702**

**10 100**

**1 896**

**7 678**

**2 815**

**8 292**

**2 213**

**68 755**

**2 407**

**358**

**158**

**2 923**

**1 261**

**72 939**

**10 605**

**10 121**

**93 665**

**5 492**

-

**99 157**

**expenditure**

**Dec-11**

5 444

9 208

1 839

13 976

8 848

9 279

2 691

8 082

2 971  
9 422  
2 215  
73 975  
2 540  
628  
111  
3 279  
1 031  
78 285  
6 567  
5 519  
90 371  
6 255  
—  
96 626

\* Operating profit/(loss) is comparable to the term production profit/(loss) in the segment report in the financial statements and not to the operating profit line item in the income statement.

26

**Results for the third quarter FY12  
and nine months ended 31 March 2012**

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

(US\$)

(Convenience translation)

**Quarter ended**

**Nine months ended**

**Year ended**

31 March 31 December<sup>1</sup>

31 March<sup>1</sup>

31 March

31 March<sup>1</sup>

30 June<sup>1</sup>

2012	2011	2011	2012	2011	2011
------	------	------	------	------	------

Figures in million

(Unaudited)

(Unaudited)

(Unaudited)

(Unaudited)

(Unaudited)

(Audited)

**Continuing operations**

Revenue

417

548

395

1 469

1 196

1 659

Cost of sales

(351)

(385)

(345)

(1 151)

(1 059)

(1 533)

Production

costs

(294)	(316)	(276)	(950)	(870)
-------	-------	-------	-------	-------

(1

218)

Amortisation and depreciation

(55)

(61)

(55)

(179)

(166)

(230)

Impairment of assets

—

-					
-					
-					
-					
(39)					
Employment termination and restructuring costs					
(2)					
(2)					
(4)					
(9)					
(19)					
(20)					
Other items					
-					
(6)	(10)	(13)	(4)	(26)	
<b>Gross profit</b>					
<b>66</b>	<b>163</b>	<b>50</b>	<b>318</b>	<b>137</b>	<b>126</b>
Corporate, administration and other expenditure					
(13)					
(10)					
(12)					
(34)					
(37)					
(46)					
Social investment expenditure					
(3)					
(2)					
(4)					
(7)					
(9)					
(12)					
Exploration expenditure					
(18)	(12)	(11)	(44)	(32)	(46)
Profit on sale of property, plant and equipment					
-					
-					
1					
4					
3					
4					
Other (expenses)/income – net					
(1)					
1					
(1)					
3					
(8)					
(3)					

**Operating  
profit**

<b>31</b>	<b>140</b>	<b>23</b>	<b>240</b>	<b>54</b>	<b>23</b>
Loss from associates					
-					
-					
(3)					
-					
(7)					
(7)					
Reversal of impairment/(impairment) of investment in associate					
1					
-					
(23)					
7					
(23)					
(20)					
Net gain on financial instruments					
5					
8					
-					
10					
15					
18					
Gain on farm-in option					
-					
-					
-					
-					
39					
38					
Investment income					
3	3	9	8		
16					
19					
Finance cost					
(8)	(10)	(9)	(28)	(26)	(38)
<b>Profit before taxation</b>					
<b>32</b>					
<b>141</b>					
<b>(3)</b>					
<b>237</b>					
<b>68</b>					
<b>33</b>					
Taxation					
82	(31)	42	42	35	55
Normal taxation					

(2)	(7)	(2)	(15)	(4)	(3)
Deferred taxation					
84	(24)	44	57	39	58
<b>Net profit from continuing operations</b>					
<b>114</b>					
<b>110</b>					
<b>39</b>					
<b>279</b>					
<b>103</b>					
<b>88</b>					
<b>Discontinued operations</b>					
Profit/(loss) from discontinued operations					
18					
19					
(5)					
53					
(10)					
(2)					
<b>Net profit for the period</b>					
<b>132</b>					
<b>129</b>					
<b>34</b>					
<b>332</b>					
<b>93</b>					
<b>86</b>					
<i>Attributable to:</i>					
Owners of the parent					
132					
129					
34					
332					
93					
86					
<b>Earnings per ordinary share (cents)</b>					
Earnings from continuing operations					
26					
25					
9					
65					
24					
21					
Earnings/(loss) from discontinued operations					
4					
5					
(1)					
12					
(2)					
(1)					
<b>Total earnings</b>					

<b>30</b>	<b>30</b>	<b>8</b>	<b>77</b>	<b>22</b>	<b>20</b>
<b>Diluted earnings per ordinary share (cents)</b>					
Earnings from continuing operations					
26					
25					
9					
64					
24					
21					
Earnings/(loss) from discontinued operations					
4					
5					
(1)					
12					
(2)					
(1)					
<b>Total diluted earnings</b>					
<b>30</b>					
<b>30</b>					
<b>8</b>					
<b>76</b>					
<b>22</b>					
<b>20</b>					

<sup>1</sup> The comparative figures are re-presented due to Evander being reclassified as a discontinued operation.

*The currency conversion average rates for the quarter ended: March 2012: US\$1 = R7.73 (December 2011: US\$1 = R8.10, March 2011: US\$1 = 6.99).*

*Nine months ended: March 2012: US\$1 = R7.65 (March 2011: US\$1 = R 7.06).*

*The income statement for the year ended 30 June 2011 has been extracted from the 2011 Annual Report, but is re-presented due to Evander being reclassified as a discontinued operation.*

#### **Note on convenience translation**

Except where specific statements have been extracted from the 2011 Annual Report, the requirements of IAS 21, The Effects of the Changes in

Foreign Exchange Rates, have not necessarily been applied in the translation of the US Dollar financial statements presented on pages 26 to 30.

27

## CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(US\$)

(Convenience translation)

**Quarter ended****Nine months ended****Year ended**

31 March

31 December

31 March

31 March

31 March

30 June

2012            2011            2011            2012            2011            2011

Figures in million

(Unaudited)

(Unaudited)

(Unaudited)

(Unaudited)

(Unaudited)

(Audited)

Net profit for the period

132

129

34

332

93

86

Other comprehensive (loss)/income for  
the period, net of income tax

(19)

22

1

128

(7)

540

Foreign exchange translation

(20)

26

3

128

-

555

Gain/(loss) on fair value movement of  
available-for-sale investments

1

(4)

(2)

-

(7)

(15)

**Total comprehensive income for the period**

113

151

35

460

86

626

*Attributable to:*

Owners of the parent

113

151

35

460

86

626

*The currency conversion average rates for the quarter ended: March 2012: US\$1 = R7.73 (December 2011: US\$1 = R8.10, March 2011:*

*US\$1 = 6.99). Nine months ended: March 2012: US\$1 = R7.65 (March 2011: US\$1 = R 7.06).*

*The statement of comprehensive income for the year ended 30 June 2011 has been extracted from the 2011 Annual Report.*

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(US\$) (Unaudited)

for the nine months ended 31 March 2012

(Convenience translation)

Share

Other

Retained

Figures in million

capital

reserves

earnings

Total

Balance – 30 June 2011

3 686

99

142

3 927

Issue of shares

3                    –                    –                    3

Share-based

payments

–                    9                    –                    9

Net profit for the period

–

–

331

331

Other comprehensive income for the period

–

128

–

128			
Dividends paid			
–	–		
(56)			
(56)			
<b>Balance – 31 March 2012</b>			
<b>3 689</b>			
<b>236</b>			
<b>417</b>			
<b>4 342</b>			
Balance – 30 June 2010			
4 171			
38			
102			
4 311			
Issue of shares			
4	–	–	4
Share-based			
payments			
–	13	–	13
Net profit for the period			
–			
–			
97			
97			
Other comprehensive loss for the period			
–			
(7)			
–			
(7)			
Dividends paid			
–	–		
(32)			
(32)			
<b>Balance – 31 March 2011</b>			
<b>4 175</b>			
<b>44</b>			
<b>167</b>			
<b>4 386</b>			
<i>The currency conversion closing rates for the period ended 31 March 2012: US\$1 = R7.68 (March 2011: US\$1 = R6.78).</i>			

28

**Results for the third quarter FY12  
and nine months ended 31 March 2012**

CONDENSED CONSOLIDATED BALANCE SHEETS

(US\$)

(Convenience translation)

At	At	At	At
31 March			
31 December			
30 June			
31 March			
2012	2011	2011	2011

Figures in million

(Unaudited)

(Unaudited)

(Audited)

(Unaudited)

**ASSETS**

**Non-current assets**

Property, plant and equipment

4 161

4 050

4 607

4 509

Intangible

assets

286                      269                      320                      323

Restricted

cash

4                      4                      5                      4

Restricted

investments

235                      238                      278                      275

Deferred

tax

assets

136                      145                      170                      341

Investments in financial assets

24

23

27

35

Inventories

21                      21                      25                      33

Trade and other receivables

5

3

3

10

**Total**

**non-current**

<b>assets</b>				
<b>4 872</b>	<b>4 753</b>	<b>5 435</b>	<b>5 530</b>	
<b>Current assets</b>				
Inventories				
141	122	124	141	
Trade and other receivables				
164				
139				
158				
164				
Income and mining taxes				
18				
24				
21				
18				
Cash and cash equivalents				
186				
149				
102				
97				
509	434	405	420	
Assets of disposal groups classified as held for sale				
173				
39				
40				
26				
<b>Total current assets</b>				
<b>682</b>	<b>473</b>	<b>445</b>	<b>446</b>	
<b>Total assets</b>				
<b>5 554</b>	<b>5 226</b>	<b>5 880</b>	<b>5 976</b>	
<b>EQUITY AND LIABILITIES</b>				
<b>Share capital and reserves</b>				
Share capital				
3 689	3 494	4 033	4 175	
Other reserves				
236	240	519	44	
Retained earnings				
417	291	(102)	167	
<b>Total equity</b>				
<b>4 342</b>	<b>4 025</b>	<b>4 450</b>	<b>4 386</b>	
<b>Non-current liabilities</b>				
Deferred tax liabilities				

465	549	623	830
Provision for environmental rehabilitation			
248			
258			
291			
263			
Retirement benefit obligation and other provisions			
24			
22			
26			
26			
Borrowings			
166	122	181	219
<b>Total non-current liabilities</b>			
<b>903</b>			
<b>951</b>			
<b>1 121</b>			
<b>1 338</b>			
<b>Current liabilities</b>			
Borrowings			
41	40	49	50
Income and mining taxes			
1			
–			
–			
3			
Trade and other payables			
201			
208			
258			
199			
243	248	307	252
Liabilities of disposal groups classified as held for sale			
66			
2			
2			
–			
<b>Total</b>			
<b>current</b>			
<b>liabilities</b>			
<b>309</b>	<b>250</b>	<b>309</b>	<b>252</b>
<b>Total equity and liabilities</b>			
<b>5 554</b>			
<b>5 226</b>			
<b>5 880</b>			
<b>5 976</b>			

*The balance sheet for March 2012 converted at a conversion rate of US\$1 = R7.68 (December 2011: US\$1 = R 8.11, March 2011: US\$1 = R6.78).*

*The balance sheet as at 30 June 2011 has been extracted from the 2011 Annual Report.*

29

## CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

(US\$)

(Convenience translation)

**Quarter ended****Nine months ended****Year ended**

31 March

31 December

31 March

31 March

31 March

30 June

2012            2011            2011            2012            2011            2011

Figures in million

(Unaudited)

(Unaudited)

(Unaudited)

(Unaudited)

(Unaudited)

(Audited)

**Cash flow from operating activities**

Cash generated by operations

88

193

30

437

194

346

Interest and dividends received

4

2

9

8

16

20

Interest

paid

(3)            (4)            (5)            (13)            (14)            (19)

Income and mining taxes refunded/(paid)

5

(18)

1

(15)

(4)

(7)

**Cash generated by operating activities****94****173****35****417**

192

340

**Cash flow from investing activities**

Decrease in restricted cash

–

–

–

–

17

17

Proceeds on disposal of investment in subsidiary

–

–

–

–

32

30

Proceeds on disposal of investment in associate.

25

–

–

25

–

–

Pre-payment for Evander 6  
and Twistdraai transaction

–

–

–

–

15

Other

investing

activities

(4) – 2 (4) 3 2

Net additions to property, plant and equipment

(96)

(96)

(98)

(286)

(323)

(445)

**Cash utilised by investing activities**

(75)

(96)

(96)

(265)

(271)

(381)

**Cash flow from financing activities**

Borrowings

raised

40

– 36 143 110 134

Borrowings

repaid

(2) (89) (2) (142) (18) (81)

Ordinary shares issued – net of expenses

–

1

2

3

4

6

Dividends

paid

(23)

–

– (57) (30) (30)

**Cash generated/(utilised) by****financing****activities****15 (88) 36 (53) 66 29****Foreign currency translation adjustments****(4)****(4)****(5)****(4)****9****13**

Net increase/(decrease) in cash and

cash

equivalents

30 (15)

(30) 95 (4) 1

Cash and cash equivalents

– beginning of period

156

164

127

91

101

101

**Cash and cash equivalents****– end of period****186****149****97****186****97**

**102**

*The currency conversion average rates for the quarter ended: March 2012: US\$1 = R7.73 (December 2011: US\$1 = R8.10, March 2011:*

*US\$1 = 6.99). Nine months ended: March 2012: US\$1 = R7.65 (March 2011: US\$1 = R 7.06).*

*Closing balance translated at closing rates of: March 2012: US\$1 = R7.68 (December 2011: US\$1 = R8.11, March 2011: US\$ = R6.78).*

*The cash flow statement for the year ended 30 June 2011 has been extracted from the 2011 Annual Report.*

30

**Results for the third quarter FY12 ended**

**31 March 2012**

Segment report (US\$/Imperial) Unaudited for the nine months ended 31 March 2012

**Production**

**Production**

**Capital**

**Ounces**

**Revenue**

**cost**

**profit/(loss)**

**expenditure**

**produced**

**Tons**

**milled**

31 March

31 March

31 March

31 March

31 March

31 March

**2012**

2011

**2012**

2011

**2012**

2011

**2012**

2011

**2012**

2011

**2012**

2011

US\$ million

US\$ million

US\$ million

US\$ million

oz

t'000

**Continuing**

**operations**

**South Africa**

**Underground**

Bambanani

55	95	63	85	(8)	10	28	33
----	----	----	----	-----	----	----	----

34 336

73 593

180

346

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Doornkop							
123	75	82	59	41	16	26	31
72 757							
56 425							
735							
534							
Joel							
101	42	53	42	48	–	6	8
60 219							
32 182							
452							
315							
Kusasaletu							
219	177	140	138	79	39	41	39
129 985							
129 343	948	876					
Masimong							
135							
148	83	81	52	67	22	18	
79 284							
111 016							
774							
747							
Phakisa							
98	56	76	48	22	8	30	39
57 871							
41 474							
406							
310							
Target							
196							
104							
120	74	76	30	32	49		
117 512							
96 999							
931							
620							
Tshepong							
221							
214							
122							
121	99	93	26	29			
129 727							
160 592							
1 009							
1 120							
Virginia							
63	76	48	63	15	13	7	9
36 459							
57 646							
310							

519											
<b>Surface</b>											
All other surface operations											
141											
107											
88											
86											
53											
21											
9											
13											
82 628											
82 980											
7 717											
8 426											
<b>Total South Africa</b>											
<b>1 352</b>											
<b>1 094</b>	<b>875</b>	<b>797</b>	<b>477</b>	<b>297</b>	<b>227</b>	<b>268</b>					
<b>800 778</b>											
<b>842 250</b>											
<b>13 462</b>											
<b>13 813</b>											
<b>International</b>											
Hidden											
Valley											
117											
102	75	73	42	29	23	30					
67 452											
73 690											
1 442											
1 389											
Other											
—	—	—	—	—	—	25	—	—	—	—	—
<b>Total international</b>											
<b>117</b>											
<b>102</b>	<b>75</b>	<b>73</b>	<b>42</b>	<b>29</b>	<b>48</b>	<b>30</b>					
<b>67 452</b>											
<b>73 690</b>											
<b>1 442</b>											
<b>1 389</b>											
<b>Total continuing operations</b>											
<b>1 469</b>											
<b>1 196</b>	<b>950</b>	<b>870</b>	<b>519</b>	<b>326</b>	<b>275</b>	<b>298</b>					
<b>868 230</b>											
<b>915 940</b>											
<b>14 904</b>											
<b>15 202</b>											
<b>Discontinued operations</b>											
Evander											
145	82	74	72	71	10	17	21				
85 939											

60 894							
539							
697							
<b>Total discontinued operations</b>							
<b>145</b>	<b>82</b>	<b>74</b>	<b>72</b>	<b>71</b>	<b>10</b>	<b>17</b>	<b>21</b>
<b>85 939</b>							
<b>60 894</b>							
<b>539</b>							
<b>697</b>							
<b>Total operations</b>							
<b>1 614</b>							
<b>1 278</b>							
<b>1 024</b>	<b>942</b>	<b>590</b>	<b>336</b>	<b>292</b>	<b>319</b>		
<b>954 169</b>							
<b>976 834</b>							
<b>15 443</b>							
<b>15 899</b>							

**31**

## DEVELOPMENT RESULTS (Metric)

Quarter ended March 2012

Channel

Reef

Sampled

Width

Value

Gold

Meters

Meters

(Cm's)

(g/t)

(Cmg/t)

Tshepong

Basal 473

476

9.02

163.74

1

476

B Reef

80

42

86.14

9.97

858

All Reefs **554****518****15.27****93.39****1****426**

Phakisa &amp; Nyala

Basal 550

544

92.70

12.06

1

118

All Reefs **550****544****92.70****12.06****1****118**

Total Bambanani

(Incl. Bambanani, Steyn 2)

Basal 54

54

146.80

14.18	
2	
082	
All Reefs	<b>54</b>
<b>54</b>	
<b>146.80</b>	
<b>14.18</b>	
<b>2</b>	
<b>082</b>	
Doornkop	
South Reef	
228	
264	
38.00	
16.52	
632	
All Reefs	<b>228</b>
<b>264</b>	
<b>38.00</b>	
<b>16.63</b>	
<b>632</b>	
Kusasaletu	
VCR Reef	
537	
532	
78.20	
27.17	
2 125	
All Reefs	<b>537</b>
<b>532</b>	
<b>78.20</b>	
<b>27.17</b>	
<b>2</b>	
<b>125</b>	
Total Target	
(Incl. Target 1 & Target 3)	
Elsburg	398
246	
116.54	
12.18	
1	
419	
Basal	12
28	
22.00	
32.35	
712	
A Reef	
72	
86	
182.00	

8.58	
1 562	
B Reef	
28	
42	
139.00	
16.07	
2 233	
All Reefs	<b>509</b>
<b>402</b>	
<b>126.31</b>	
<b>11.76</b>	
<b>1</b>	
<b>486</b>	
Masimong	
Basal	329
326	
53.94	
15.60	
841	
B Reef	
91	
87	
88.94	
4.83	
430	
All Reefs	<b>420</b>
<b>413</b>	
<b>61.31</b>	
<b>12.31</b>	
<b>755</b>	
Evander	
Kimberley	448
459	
52	
20.872	
1	
085	
All Reefs	<b>448</b>
<b>459</b>	
<b>51.97</b>	
<b>20.87</b>	
<b>1</b>	
<b>085</b>	
Virginia	
(Unisel)	
Basal	133
76	
191.66	
10.60	
2	

031	
Leader	229
216	
217.28	
5.46	
1	
186	
All Reefs	<b>362</b>
<b>292</b>	
<b>210.61</b>	
<b>6.68</b>	
<b>1</b>	
<b>406</b>	
Joel	
Beatrix	112
87	
224.00	
6.06	
1	
357	
All Reefs	<b>112</b>
<b>87</b>	
<b>224.00</b>	
<b>6.06</b>	
<b>1</b>	
<b>357</b>	
Total Harmony	
Basal	
1 552	
1 504	
63.46	
19.62	
1 245	
Beatrix	112
87	
224.00	
6.06	
1	
357	
Leader	229
216	
217.28	
5.46	
1	
186	
B Reef	
199	
171	
100.55	
9.73	
978	

A Reef	
72	
86	
182.00	
8.58	
1 562	
Elsburg	398
246	
116.54	
12.18	
1	
419	
Kimberley	448
459	
51.97	
20.87	
1	
085	
South Reef	
228	
264	
38.00	
16.63	
632	
VCR 537	
532	
78.20	
27.17	
2	
125	
All Reefs	
<b>3 774</b>	
<b>3 565</b>	
<b>83.83</b>	
<b>15.70</b>	
<b>1 316</b>	

DEVELOPMENT RESULTS (Imperial)

Quarter ended March 2012

Channel

Channel

Reef

Sampled

width

value

Gold

(feet)

(feet)

(inches)

(oz/t)

(in.oz/t)

Tshepong

Basal

1553

1

562

4.00

4.24

17

B Reef

263

138

34.00

0.29

10

All Reefs

**1 817**

**1 699**

**6.00**

**2.73**

**16**

Phakisa & Nyala

Basal

1 804

1

785

36.00

0.36

13

All Reefs

**1 804**

**1 785**

**36.00**

**0.36**

**13**

Total Bambanani

(Incl. Bambanani, Steyn 2)

Basal 178

178

58.00

0.41

24

All Reefs **178**

**178**

**58.00**

**0.41**

**24**

Doornkop

South Reef

748

866

15.00

0.48

7	
All Reefs	<b>748</b>
<b>866</b>	
<b>15.00</b>	
<b>0.48</b>	
7	
Kusasaletu	
VCR Reef	
1 762	
1 745	
31.00	
0.79	
24	
All Reefs	
<b>1 762</b>	
<b>1 745</b>	
<b>31.00</b>	
<b>0.79</b>	
<b>24</b>	
Total Target	
(Incl. Target 1 & Target 3)	
Elsburg	
1 305	
807	
46.00	
0.35	
16	
Basal 38	
92	
9.00	
0.91	
8	
A Reef	
235	
282	
72.00	
0.25	
18	
B Reef	
92	
138	
55.00	
0.47	
26	
All Reefs	
<b>1 670</b>	
<b>1 319</b>	
<b>50.00</b>	
<b>0.34</b>	
<b>17</b>	
Masimong	

Basal

1 080

1

070

21.00

0.46

10

B Reef

298

285

35.00

0.14

5

All Reefs

**1 378**

**1 355**

**24.00**

**0.36**

**9**

Evander

Kimberley

1 470

1

506

20.00

0.62

12

All Reefs

**1 470**

**1 506**

**20.00**

**0.62**

**12**

Virginia

(Unisel)

Basal 438

249

75.00

0.31

23

Leader 751

709

86.00

0.16

14

All Reefs

**1 189**

**958**

**83.00**

**0.19**

**16**

Joel	
Beatrix	366
285	
88.00	
0.18	
16	
All Reefs	<b>366</b>
<b>285</b>	
<b>88.00</b>	
<b>0.18</b>	
<b>16</b>	
Total Harmony	
Basal	
5 092	
4	
936	
25.00	
0.57	
14	
Beatrix	366
285	
88.00	
0.18	
16	
Leader	751
709	
86.00	
0.16	
14	
B Reef	
653	
561	
40.00	
0.28	
11	
A Reef	
235	
282	
72.00	
0.25	
18	
Elsburg	
1 305	
807	
46.00	
0.35	
16	
Kimberley	
1 470	
1	
506	

20.00  
0.62  
12  
South Reef  
748  
866  
15.00  
0.48  
7  
VCR  
1 762  
1  
745  
31.00  
0.79  
24  
All Reefs  
**12 382**  
**11 698**  
**33.00**  
**0.46**  
**15**

32

32

32

**CONTACT DETAILS**

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*Directors*

P T Motsepe\* *Chairman*

D Noko\*<sup>^</sup> *Deputy Chairman*

G P Briggs *Chief Executive Officer*

F Abbott *Financial Director*

H E Mashego *Executive Director*

F F T De Buck\*<sup>^</sup> *Lead independent director*

J A Chissano\*

1

<sup>^</sup>, K V Dicks\*<sup>^</sup>, Dr D S Lushaba\*<sup>^</sup>, C Markus\*<sup>^</sup>,

M Motloba\*<sup>^</sup>, M Msimang\*<sup>^</sup>, J Wetton\*<sup>^</sup>, A J Wilkens\*

\* Non-executive

<sup>^</sup> Independent

1

Mozambican

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*Company Secretary*

Riana Bisschoff

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*United Kingdom Registrars*

Capita Registrars

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*Telephone: +27 11 507 0300*

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*Trading Symbols*

*JSE Limited: HAR*

*New York Stock Exchange, Inc: HMY*

*Euronext, Brussels: HMY*

*Berlin Stock Exchange: HAM1*

*Registration number*

1950/038232/06

*Incorporated in the Republic of South Africa*

*ISIN*

ZAE000015228

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: May 9, 2012

Harmony Gold Mining Company Limited

By:

/s/ Frank Abbott

Name: Frank Abbott

Title: Financial Director